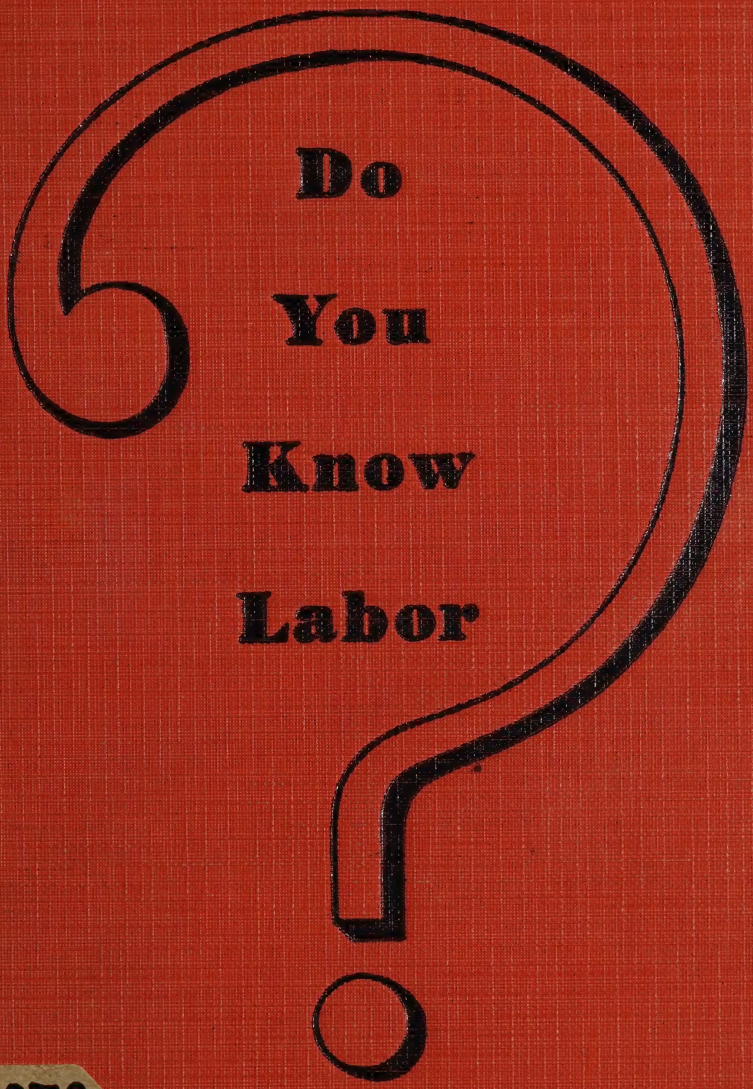
Do You Know Labor



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Do You Know Labor?

Facts About the Labor Movement

By
JAMES MYERS

NATIONAL HOME LIBRARY FOUNDATION
SHERMAN F. MITTELL, *Editor*
WASHINGTON, D. C.

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PRINTED IN THE UNITED STATES OF AMERICA

TO

B. R. M.

FOREWORD

What are the causes of strikes? Do unions keep their agreements? Should they be incorporated? What about labor rackets? The A. F. of L.—C. I. O. controversy? Communists in the labor movement? The National Labor Relations Board? The closed shop? The check-off? Picketing? Profit sharing? The Negro in industry? Women workers? Union management cooperation? Are labor leaders responsible? Is there a way to permanent industrial peace?

The recent growth of labor unions, the enactment of the National Labor Relations Law, and other events have raised these and a host of other questions in the public mind. Information about the policies and practices of labor unions is today essential, not only to employers but to the general run of citizens in urban and rural areas, professional groups, and to American farmers. All are vitally affected in one way or another.

The present volume attempts to supply in brief form factual information drawn chiefly from first-hand experience of the writer as former labor manager in a factory, from his subsequent wide investigations of labor relations in many industries and from his extensive personal acquaintance with employers and labor leaders.

It is hoped that this impartial presentation of facts may be of some service in promoting public understanding, and may suggest ways to peaceful and constructive industrial progress in harmony with our ideals of American democracy.

J. M.

New York, N. Y., May 8, 1940.

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Chapter I

UP FROM SLAVERY

Workingmen in a democracy today enjoy more freedom than ever before in the history of the world. In ancient times employers actually *owned their employees.* Under the economic system of slavery, employers could at times inflict even the death penalty if his slave's "production record" was not up to standard.

During the Middle Ages common labor enjoyed more freedom but it was still bound to the land. A worker was not free to choose his employer. Labor was paid only "in kind", that is, by hand-outs of grain, and wool and a hut to live in. Perhaps worst of all a common laborer, or serf, had justice handed out to him by a court in which his employer or "lord" acted as the judge! It is true that during the Middle Ages a few skilled artisans organized in guilds and, owning their own tools, enjoyed a high position of independence. But the masses of common labor lived under serfdom.

With the coming of the Industrial Revolution, or machine age, common labor made distinct gains in freedom. Workers are now paid in cash, and, in a democracy, have a right to work for whomever they wish, enjoying civil and political equality. Under the present wage system, however, the status of labor in industry falls short of democracy. The relation between an employer and an employee has been defined by our courts as that of master and servant.

Most employers intend to be fair, and many of them generous, in their relations with labor. Employers who have always tried to maintain fair labor standards—perhaps above those of their competitors—are often tempted to feel deeply hurt when their employees express a desire to join a union. Yet many come to realize that there is a deeper issue involved and have been patriotic enough to welcome in the field of labor relations the application of our American principle of representative government, granting a voice to every man in the determination of conditions which are so vital to his individual happiness and the well-being of his family and children.

An illuminating story is told of an "Americanization worker" who, after carefully instructing a foreign-born wage earner in the principles of Americanism, asked him if he understood the difference between

America and his old country in Europe. He replied, "Yes, I understand. In the old country we must obey the King. In *this* country we must obey the superintendent." Under political autocracy many monarchs, like many modern employers, had the best interests of their subjects at heart. But increasing demands of the people for the rights of self government finally resulted in the establishment of democracy in political life. A similar urge for democratic rights lies beneath the demand for organized labor relations.

Samuel Gompers, one of the great leaders of American labor, saw with prophetic clarity the essential connection between democracy and the right of labor to organize. In reply to a critic of organized labor who pointed out that a certain paternalistic employer was providing welfare work, including a recreation center, swimming pool and shower baths, he declared that "labor would rather be free than clean." He also referred to welfare work as Hellfare work when it was used as a substitute for the democratic right of labor to self determination. A friend of mine was shown through a model mill village by the owner who pointed out the good living conditions he had provided, including better houses, free schools, free picnics and free seeds for the workers' flower gardens. My friend inquired how it happened that in every yard there were petunias in bloom. "I like petunias," said the owner. Paternalism fails miserably to meet the basic need in human society of providing conditions under which individuals may develop their own lives.

The question is whether the workers themselves shall have something to say about their working and living conditions. Vital issues in democracy are involved. For working conditions vitally affect the "life, liberty and pursuit of happiness" of American workers. Working conditions include security against unfair discharge. This is a matter of life and death to the wage earner and his family. They include safeguards for the worker against accidents and occupational diseases. They include the length of his work day and the amount of his wages. The worker's pay envelope determines the kind of house his family can live in, whether in the slums with their serious effect upon the health and morals of his children, or in a better neighborhood where they will have a chance. The worker's pay envelope determines the kind of clothes he can buy for his children, and the amount of education he can give them.

I once sat in a wage conference in which a trade unionist argued at length over a difference of one cent an hour. He explained later that this apparently insignificant issue meant a pound of butter each week for his family. If democracy is to command the loyalty of working

people, it must give them some voice in matters so intimately affecting their family life.

The need for democracy in labor relations is the more imperative because workers no longer own their own tools of production, as the skilled artisans did under a previous economy. Modern industry with its great factory system, owned usually by absentee stockholders, leaves the great mass of workers with no "property rights" in industry except their jobs.

An intricate system of legal and moral guarantees has been built up to safeguard the rights of private property. Yet under the wage system a worker's "property rights" in his job are secured by no legal guarantees beyond the payment of his wages by the employer one day or one hour at a time. He has no legal rights in his job when his "legal contract" for the day or hour expires. He may be paid and dismissed, and has no recourse in the courts. It is difficult for middle-class salaried workers and stockholders to realize what this means to the wage-earning class and their families. The utter insecurity feared by the owning class when "property rights are threatened" already exists for most industrial workers. Widespread strikes have dramatized again and again the moral demand of the wage-earner for more rights in his job—more security in his principal means to a livelihood, at least to the extent of protection by union agreements. A sit-down striker said to the writer: "I've worked at this machine for 15 years—I guess I ought to have *some* right to this job." In Great Britain "there is a general feeling among workers and employers that 'the job belongs to the man' and that it is not right for men to take, or to be asked to take, the jobs of their fellows during strikes."[1] Collective bargaining having been generally accepted, there is confidence on both sides that the controversy will be settled by peaceful negotiations.

Is it not simple justice that labor be allowed to organize in dealing with employers since the owners of industry are organized 100%? They have in reality a "closed shop" of their own. They deal with labor only through their own freely chosen representatives. An individual worker, seeking employment or better conditions by approaching an individual stockholder of a corporation, will always be referred to the manager, who represents all stockholders in dealing with labor. As the Executive Committee of the Federal Council of Churches declared, in June, 1934:

> "The reasons for labor's insistence upon a broad basis of organization and upon representation of the workers by persons chosen and

[1] Report of the President's Commission on Studies of Industrial Relations, Par. 36.

paid by themselves are too plain for argument. They are precisely the same reasons that impel employers to organize and to secure the ablest representatives of their own interests, chosen and paid by themselves. We appeal for fair play in accord with the plain intent of an act of Congress and with a principle for which the churches have long contended. When labor is denied the right of free choice of representatives so chosen, the spirit and purpose of justice and democracy are thwarted."

Many employers feel that democratic labor relations constitute the best safeguard against even inadvertent unfairness on the part of management. The late President Baldwin of the Long Island Railroad declared that he was convinced that no man in a position of authority over other people is himself morally good enough, nor can he have enough imagination, to understand or give proper consideration to the needs, feelings and just desires of his employees. For that reason he said he was glad that his workers were organized in regular labor unions so that they could, without subservience or fear, deal collectively with him, and thus save him from any unconscious injustice to them.

It is, of course, an added burden on the time and patience of employers to consult with representatives of their workers and to bargain with them, often in lengthy negotiations, with reference to wages, hours and conditions. It is much quicker and simpler for an employer to decide all these matters himself. This accounts for a large part of the reluctance of employers to recognize unions. Yet many conscientious employers agree with President Baldwin's analysis and are glad to deal with unions for those reasons. Others find themselves unwilling to relinquish this complete power over other people's lives until they are forced to do so by the organization of their workers.

While organized labor has grave faults, weaknesses and limitations, the labor union movement is in essence a demand for democracy on the part of wage earners. It is an expression of our American principle of government applied to industrial relations. It is analogous to many farm organizations which seek the same essential democratic right of collective action to safeguard their interests. The same thrilling spirit of democracy, the same determination to have a voice in their own economic destinies, is found in the organized labor movement as well as in the organized farmer movements.

In the long run democracy in labor relations will also prove to be the only guarantee of the highest possible efficiency in industry. For there

are but two natural psychological reactions to autocratic control, whether political or industrial. Those living under autocracy tend either to "take it lying down," to "keep their mouths shut and do as they are told," or to *rebel*. Autocratic control inevitably tends to produce in workers either the mind of the slave or the mind of the rebel. Neither of these states of mind is conducive to efficiency. Servile workers adopt the "don't care" attitude, do their work just well enough to "get by," and are responsible for huge unseen wastes and lack of efficiency in production. Rebel-minded workers on the other hand are secretly resentful, prone to sabotage and looking for a chance to "get even" with the company. Neither the slave nor the rebel can be counted on for the highest possible industrial efficiency. Instead of complaining about the "lack of interest in their work" on the part of servile employees, or condemning the "trouble maker" rebels among the workers, management is more scientific if it recognizes and removes the principal cause of such attitudes. When you give a worker a sense of self respect and a new status of dignity as an industrial citizen, you have abolished both the slave and the rebel mind and prepared the ground for the efficiency and interest in their work which can be expected only from free men who enjoy both the privileges and the responsibilities of democracy.

In order to assure progress and permanence in a political democracy, the whole of our national life must be democratic through and through. Our industrial and economic relations as well as our political institutions must embody this basic principle of Americanism. Democracy is the only moral form of government. It is based upon the religious concept of the infinite value of the individual. It provides the only soil congenial to the full growth of human personality. It alone throws back upon all individuals the responsibility for decisions, enables them to grow intellectually and morally, to develop in self-reliance, dignity, self-respect, judgment, capacity and stability. In the long run, democracy will also prove to be the only stable and efficient form of government, resting as it does upon the intelligence and loyalties of free men.

We turn now to a study of the many serious problems involved in the organization, policies and actual practices of American labor unions which, with all their faults, are an expression of the urge toward democracy in the hearts of industrial workers.

Questions for Discussion

1. In what ways has common labor gained in freedom since ancient times?

2. What is labor's legal status today?
3. What rights for workers does the principle of democracy demand?
4. Why is industrial democracy important to working people?
5. Do labor unions give expression to democracy in labor relations?

Chapter II

DIFFERENT KINDS OF LABOR UNIONS

There are a number of different forms of organization through which the general principle of representation of workers has found expression. Historically, craft unions were the first to be formed. In America, for a few years previous to 1800, but more generally after 1827, workers organized into associations along the lines of their special skills or trades: printers, carpenters, textile spinners, and others. These unions soon became national in scope. Our first discussion of present conditions will take up unions or associations of employees which are now confined to workers in a single plant or company.

Employee Representation: Company Unions—Independent Unions

Following the World War a large number of employee representation plans were installed by concerns in many industries. The initiative came from the employers. Some of them, actuated by idealism, wished to introduce in their labor relations the principle of democracy and arranged to have their employees elect representatives to deal collectively with the company on wages, safety and working conditions. Many employers, however, introduced such plans with the definite object of avoiding relations with regular national labor unions. The sincerity and effectiveness in operation of employee representation plans varied with the motives and spirit of the management of the company involved. In a number of cases interesting results and improvements in conditions were obtained. In others the plan was used chiefly as an "employee explanation" plan to convey to the workers the ideas of the management. The actual power of workers under company unions depended upon how much power the management wanted them to have. This right of organization, having been initiated by the management, could also at any time be revoked by the management. In the company where for seven years labor relations were the responsibility of the writer, we had a very sincere employee representation plan, together with many welfare features, including profit-sharing. We also had a small A. F. of L. craft union local. A member of the latter was asked by an outside investigator what he thought of the company's plan. "It's all right," he said, "but if we had to choose

between it and our union, we'd stick to the union *because it's our own.*"

Company unions are now out of the picture, since the National Labor Relations Act outlaws unions initiated, financed or dominated by employers. Company unions, however, were similar in a number of important respects to the "independent unions" now appearing in many industries. The following common features of company unions and "independent unions" should be noted.

In the first place, a company union or an "independent union" is confined in its membership to a single plant or company.[1] This makes it impossible for this type of union to influence wage scales for entire industries. On the other hand, industry-wide wage scales, because of competition, restrict and limit what a single plant can do. A union confined to a single plant or company is impotent to improve wages substantially, no matter how sincere may be the relations of the local management with it.

In the second place, an independent or company union is handicapped by not having under its own employment and control full-time officials who can gather technical information for it, who are experienced negotiators and expert advisors, and who supply independent leadership counsel. It is hardly in keeping with our American ideals of good sportsmanship for an employer to declare that he will deal only with his "own" employees, denying them the benefit of their own chosen counsellors. In fact, such an employer insists that his employees shall have no spokesmen in their dealings with him, except men who are also on his payroll and hence subject to his approval, displeasure or discharge. An employer who has an "independent union" recently said to me: "The trouble with 'independent unions' is that they seldom bring up any real issues and the workers are apt to lose confidence in them." The reason is not far to seek.

An employer uses "outside" specialists to advise him on labor matters, including lawyers, engineers, and efficiency experts. No one objects to his exercising that right. In all fairness, labor should be accorded the right to choose and pay their own experts and representatives as they do when organized in national unions.

While the activities of employee representation plans, company unions, and "independent unions" have often been referred to as collective bargaining, it is obvious that the term so applied does not have the same

[1] An attempt is being made by certain "independent unions" to form a federation. Its success is doubtful because of lack of leadership and inadequate financing, and because many employers who are sympathetic with "independent unions" are not enthusiastic about their assuming size and strength comparable to the national labor unions.

significance as when applied to national labor unions. Labor leaders have pointed out that an employer insisting on a company or "independent" union as a vehicle of collective bargaining is in a real sense "bargaining with himself."

Company unions have commonly depended upon the company for their principal finances. This arrangement, of course, could be discontinued at any time by the company and, while in force, threw the dominance and ultimate control of the union into the hands of the management. The new "independent unions" have such nominal dues (an argument which is advanced in their favor by employers and some unorganized employees) that they can hardly be expected to develop much strength. Dues of ten cents a month or twenty-five cents a month can hardly furnish sufficient funds for salaries, offices, publications and literature, legal advice, research, strike benefits, and educational and recreational programs for an effective union. Dr. Saposs goes so far as to say:

> "The inadequacy of the dues for financing necessary union activities leads to the conclusion that the 'independents' are not primarily interested in effective collective bargaining. On the contrary, they are under-cutting the bona fide union rates in an attempt to gain a competitive advantage in recruiting membership for the fight to destroy 'regular' labor organizations."[2]

Furthermore, company unions and "independent" unions do not as a rule attempt to advance the general welfare of workers through social legislation. As a matter of fact, the only instance I have known where a company union attempted to influence legislation was a case in which it *opposed* the abolition of night work for women, being influenced to do so by the employer. In sharp contrast stands the record of organized labor which has been largely responsible for advanced social legislation for the protection of the safety and health of all workers, for abolition of night work for women, for abolition of child labor, and other humanitarian measures.

The National Labor Relations Act has now declared it an unfair labor practice for an employer to finance or dominate a union of his own employees. Company unions as such have therefore been discontinued. Where it can be shown that an "independent union" is financed by, or was started at the instigation of, the employer, it also comes under the ban of the National Labor Relations Act. Employers are therefore avoid-

[2] *Anti-Labor Activities in the United States.* By David J. Saposs and Elizabeth T. Bliss.

ing such overt acts. It is curious, however, that many of the "independent unions" which have appeared since the Labor Act was passed by Congress have been organized by lawyers. In some instances it is reported that these lawyers have also been attorneys for the companies whose employees are organized in these "independent unions," and, still more strangely, some of these lawyers have not exhibited a normal expectancy of fees from the "independent unions" for their services.

Of course, if workers themselves, without secret coercion or assistance from employers, vote that they want an "independent union" or no union at all, democracy demands that they should be granted such rights, and the National Labor Relations Board has so ruled. In any case, the weaknesses and lack of effectiveness described above are inherent in the independent unions. A possible exception might obtain in an enormous industry which is a practical monopoly, but an independent union in such a case would probably tend either to be subservient to the employers, or else to develop into a real labor union which would eventually affiliate or cooperate with the labor movement.

Occasionally in the past a truly independent union has arisen from a bona fide desire of workers themselves, because of the ineffectiveness of some national union, and has later become a powerful national union, such as the Amalgamated Clothing Workers of America.

Craft and Industrial Unions

Craft or trade unions are those composed exclusively of workers in the same trade, such as carpenters, machinists, plumbers, moulders, etc. In the earlier days of industry the small shops and manufacturing establishments were suitable to such organization of the workers since, in general, a shop employed workers predominantly of one skill. A foundry employed chiefly moulders, a machine shop principally machinists, and so on. With the development of mass production factories, however, all kinds of skilled workers were assembled under one roof, in addition to thousands of workers with no specialized skill or trade. The effect of this change in industry has not only made the organization of scattered skilled workers into trade unions more difficult, but has left outside the union fold millions of factory workers and machine tenders who do not qualify for membership in craft unions. Machine production has largely robbed labor of its craft skill. Instead of the necessary years of apprenticeship training for a skilled artisan, a machine tender can commonly be trained in a few weeks.

The industrial union gradually evolved to meet this situation. It

accepts as members all the workers in a given factory, including skilled craftsmen and so-called unskilled machine runners and common labor. The industrial union is not an invention of the Communists nor is it an outcome of the C. I. O. movement. It began within the ranks of the American Federation of Labor as an answer to changed industrial conditions.

The United Mine Workers of America has operated on industrial union lines from its very beginning in 1890. The men's and women's clothing unions, paper makers, brewery workers, and others operated for years as industrial unions within the A. F. of L.

The American Federation of Labor

Up until 1935 the American Federation of Labor was composed of both craft and industrial unions.[3] It was a federation of over one hundred national or international unions, the latter term signifying only that such unions included locals in both the United States and Canada. Under the A. F. of L. are state federations of labor and city federations of local unions, usually called central trades and labor councils. The total dues-paying membership of the A. F. of L. in 1935, including the ten C. I. O. unions which had not yet been suspended, was 3,045,347. If members of the Railroad Brotherhoods and other unions not affiliated with the A. F. of L. (roughly 600,000) are added, total union membership was about ten per cent of the thirty-six million gainfully employed workers who might reasonably be considered available for organization.

Failure to Organize Mass Production Industries

A large percent of the American Federation of Labor's three million membership was represented by craft unions. Workers in the great mass production industries—steel, rubber, automobile, cement, aluminum, and others—remained without union protection. There were apparently two principal causes for the failure of organization efforts in mass production industries. No matter how sincerely the craft unions might try to effect such organization, their very form made it almost impossible to succeed. Jurisdictional problems between the craft unions involved, confusion of the workers when approached by a dozen or more unions, and lack of integration of unions in dealing with the employer presented

[3] As a matter of fact, a number of industrial type unions remained in the A. F. of L. when the C. I. O. split occurred, including the paper makers, brewery workers and semi-industrial unions such as the railway clerks. Since the split a number of A. F. of L. craft unions have extended their membership in many plants to include all workers, i.e., the machinists, moulders, and electrical workers.

almost impossible difficulties. A liberal official in the A. F. of L. recently made the comment that it was a "tragedy that the A. F. of L. machinery did not respond to the changing needs of the workers. While we all shouted for necessary changes in our government, our own structure remained a relic of the past." This official, however, feels that with more patience the change to industrial unionism in mass production industries could have been accomplished within the A. F. of L. without the split in the labor movement.

It must be stated frankly that many craft unions, built on a tradition of special skills, taking just pride in their craftsmanship, had tended to become an aristocracy of labor and were not as interested as they should have been in extending to the unskilled the benefits of unionism. This was vividly impressed on my mind several years ago when I was the invited speaker at a state convention of one of the skilled craft unions. I had just returned from an investigation of the causes of strikes in many southern textile mills where heartbreaking conditions obtained, including eleven and twelve hour shifts, women working all night in the mills, child labor, low wages, and miserable housing conditions. It was a startling contrast to find these skilled workers holding their convention in an exclusive hotel and putting on a very costly banquet. As a union they had taken no active interest in extending to unskilled workers the benefits of unionism which had meant so much to themselves.

It is perhaps fair to say that this attitude of indifference toward organizing the unorganized was particularly true of some of the officials of craft unions who have exhibited too much concern for their own vested interests, and too little concern for the extension of the labor movement into wider fields.

Questions for Discussion

1. What are the principal types of unions?
2. Discuss employee representation plans, company unions and independent unions.
3. What changes in methods of industrial production lie behind the rise of industrial unions?
4. What per cent of workers were union members in 1935?
5. Why were the mass production industries not organized before 1935?

Chapter III

THE A. F. OF L. AND C. I. O. CONTROVERSY

It is to be hoped that not long after the publication of this book the A. F. of L. and the C. I. O. may be reunited in a single labor movement, although one would not venture to prophesy as to exactly when and how this may come about. In any case, it is felt that the following chapter will still be of historical value and necessary background information for an intelligent understanding of the ongoing labor union movement.

Origin of the C. I. O.

There was an increasingly insistent demand within the American Federation of Labor, coming chiefly from the industrial unions in the Federation and from state and city federations of labor, that the mass production industries should be organized. The following account gives a brief summary of events leading up to the formation of the Committee for Industrial Organization.

> "The (A. F. of L.) convention in 1934, in response to demands for organization of the mass production industries, ordered the Executive Council to conduct a campaign of organization in the iron and steel industry and to issue charters to national and international unions when organized in automobile, cement, aluminum, and other mass production industries. However, the Council was obligated to protect the jurisdictional rights of craft unions in these industries.
>
> "The general understanding was that this policy would permit the formation of real industrial unions. The industrial unionists desired to have charters of unlimited jurisdiction issued to organizations in these industries. However, they failed to realize that the Executive Council was so limited by the A. F. of L. constitution that it could not disregard the jurisdictional claims of craft unions.
>
> "When the 1935 convention met, the industrial unionists found that the Council had issued only a limited charter to the automobile workers and that no organizing campaign had been attempted in the iron and steel industry. Thereupon the proponents of industrial

unionism demanded a policy which would permit industrial unions to have unlimited charters, such, for example, as the United Mine Workers has, permitting it to include all workers in and about the mines. They based their demand on the need for organizing the great body of unorganized workers and pointed to the impossibility of doing so as long as craft unions were permitted, through jurisdictional claims, to split up the workers in mass production industries after they had been organized.

"The demand of the industrial unionists was defeated by a vote of 18,024 to 10,933. (Each vote represents 100 members or a major fraction thereof.) But the 10,933 votes represented not only industrial unions but various craft, amalgamated, and federal unions and state federations of labor and federations of local unions called 'city centrals.' It is estimated that this vote represented unions having a total membership of 1,100,000, or over 36 per cent of the A. F. of L. membership, indicating a strong and widespread sentiment for forming industrial unions where they would be more effective than craft unions.

"On November 10, 1935, the representatives of eight leading unions[1] formed a Committee for Industrial Organization. Its purpose was to help organize the unorganized in the mass production industries and bring them into the A. F. of L., as industrial unions. It disclaimed any intention of invading industries where the craft unions were strong, but it believed that craft unions should not be permitted through jurisdictional claims to disrupt industrial unions after they are organized. It considers this particularly important where the craft unions have failed to organize industries and where their jurisdictional claims are mere 'paper claims.'

"In January, 1936, the Executive Council declared that the C. I. O. was 'a challenge to the supremacy of the A. F. of L.' because it was an organization 'dual' (rival) in purpose and character and asked for its dissolution. The C. I. O. disclaimed any intention of becoming a dual organization, pointed out that it did not issue charters, declared that it is as legitimate to encourage the organization of industrial unions as it is to promote craft organization, and insisted

[1] Coal miners union; typographical union; amalgamated clothing workers union; ladies garment workers union; textile workers union; oil field, gas well, and refinery workers union; cap and millinery workers union; and the mine, mill, and smelter workers union. Later the flat glass workers union, automobile workers union, the rubber workers union, and the iron, steel and tin workers union joined the committee.

that it was going to spend money to develop the American labor movement rather than to aggrandize itself."[2]

The rift widened and in August, 1936, the Executive Council of the A. F. of L. suspended ten of the C. I. O. unions, depriving them of representation in the convention of the A. F. of L. which was scheduled for October. In spite of many offers of mediation, the breach grew wider as the C. I. O. organizing drive met with wide success in the automobile, steel, rubber, textiles, aluminum, and other industries. All peace proposals failed. The two groups began to raid each other's fields and bitterness increased. The Executive Council of the A. F. of L. expelled three C. I. O. unions in January, 1938, six more in April, 1938, and ordered many state and local federations to expel all C. I. O. unions.

Results of the Split

The split in the labor movement has caused much confusion, has tied up some sections of industry, and has caused difficulties for some employers willing to recognize a union but beset with conflicting claims. It has also made the work of the National Labor Relations Board more difficult (because of criticisms from both the A. F. of L. and the C. I. O. when its rulings of appropriate units for labor representation in factories and shops did not meet with their particular interests), and has made it more difficult for liberals and churchmen, who are friends of the labor movement, to avoid being drawn into partisan controversy.

Because of a combination of circumstances, however, the split in the movement did not result in a total decrease in union membership, but rather in a sharp increase. This may be accounted for by three factors: (1) the upturn in business about that time; (2) the effect of the National Labor Relations Law; and (3) the stimulus to the older craft unions of the vigorous organization drive of the industrial unions. Many employers who had previously opposed the A. F. of L. now vigorously welcomed it as the more conservative organization. A large increase in membership has resulted in both groups of unions.

In the month of August, 1939, the A. F. of L. estimated its paid membership at 4,006,354.[3] In other words, after the loss of approximately

[2] *Information Service,* December 5, 1936. Published by the Research Department of the Federal Council of the Churches of Christ in America, 297 Fourth Avenue, New York.

[3] *Report of the Proceedings of the Fifty-Ninth Annual Convention,* held at Cincinnati, October, 1939. This figure does not include members who were unemployed and unable to pay dues. Since the figures given are based on dues paid by International Unions in the month of August (on which their voting strength at the A. F. of L. convention was based) it is possible that this figure may be higher than the annual average membership.

1,000,000 members by suspension of the C. I. O. unions, the A. F. of L. added about 1,883,000 members from 1935 to 1939.

The C. I. O., starting with about 1,000,000 members, increased its membership in its ten unions and in about thirty additional newly formed or affiliated unions to an estimated membership of 4,000,000 in 1938, or a gain of about 3,000,000 members.[4]

The A. F. of L., the C. I. O. and the Railroad Brotherhoods and other unions not affiliated with either the A. F. of L. or the C. I. O.[5] (about 600,000) are estimated to have 8,600,000 members, or about 23% of the 36 million workers which may be considered available for organization. This is a gain of 4,600,000 from 1935 when only about ten per cent were organized, including railroad workers.

It is to be noted that the workers in the operating departments of the railroad—engineers, firemen, conductors, trainmen, etc. are organized in Brotherhoods, independent of the A. F. of L., but craft workers in the repair shops such as machinists, boilermakers and others, the Brotherhood of Sleeping Car Porters and the Order of Sleeping Car Conductors, dining car waiters who are members of the Hotel and Restaurant workers, and Railway Clerks belong to the A. F. of L.

The influence of organized labor is not to be measured by numbers alone. It is felt in political life, in social legislation, and tends indirectly to affect wage scales even in unorganized industries.

Is the C. I. O. Communistic?

At this point a word must be said of the common charge that the C. I. O. is a "communistic movement". Impartial and informed students of the labor movement agree that the charge that the C. I. O., as such, is Communist controlled is without foundation of fact. The dominant unions in the C. I. O., the United Mine Workers and the Amalgamated Clothing Workers, as the records will show, have either expelled Communists who attempted to capture these unions or disciplined them and forced them to keep their politics and tactics out of union affairs. The widely distributed pamphlet which alleges that John L. Lewis is a Communist because Communist leaders and papers now praise him,

[4] *Daily Proceedings of the First Constitutional Convention of the Committee for Industrial Organization,* held at Pittsburgh, Pa., November 14 to 18, 1938. No indication was given as to the number of members paying dues. No new figures on membership were reported at the C. I. O. convention in San Francisco in October 1939.

[5] For tables giving all types of unions, their affiliations and membership figures (1937) see *When Labor Organizes,* by Robert R. R. Brooks, New Haven, Yale University Press, 1937, appendix.

although some years ago they opposed him, fails to point out that the Communist policy and tactics—not John L. Lewis—have changed. Following the meeting of the Communist Third Internationale in 1936, American Communists changed front and instead of denouncing regular union leaders as "labor fakers" and attempting unsuccessfully to set up Communist controlled unions in coal, textiles, and other industries, they were directed to cooperate with progressive unions in every possible way. But the high leaders and leading unions of the C. I. O. can in no sense be termed Communistic. John P. Frey, President of the Metal Trades Department of the American Federation of Labor and arch-critic of the C. I. O., charges Communism against others connected with the C. I. O., but is quoted by the *New York Times* (Aug. 14, 1939), as saying, "John L. Lewis is opposed to Communism."

This is not to deny that Communists have been active in a number of C. I. O. unions. The unions affiliated with the Congress of Industrial Organizations—the name was changed to Congress of Industrial Organizations at the Constitutional Convention, November 15, 1938—have properly taken the position that they do not discriminate against a member or an organizer because of his political beliefs, so long as he is a good trade-unionist. (The United Mine Workers is an exception, in that it has voted to exclude Communists from membership.) The unions affiliated with the American Federation of Labor in general take this position also and Communists are members in some A. F. of L. unions.[6] In fact, in the mass production industries it is the employer who determines whether or not unions have Communist members, for he does the hiring of the employees whom the union must accept as members. As Clinton Golden, Director of the Eastern Region, Steel Workers Organizing Committee, has said, "If the employer hires Communists as workers, we have them in the union; if he hires Methodists, we have them."

It is true that the C. I. O., under the great pressure of its rapid and successful organization drives in many industries, took on, among its 1,100 organizers, many workers, including Communists, some of whom later proved unsuitable leaders for ongoing union labor relationships with industry. Some, however, proved capable and effective. The diffi-

[6] The A. F. of L., however, in 1935 adopted a constitutional amendment providing that: "No organization officered or controlled by Communists, or any person espousing Communism or advocating the violent overthrow of our institutions, shall be allowed representation or recognition in any Central Labor Body or State Federation of Labor." Such regulations as these and the flat rule of the United Mine Workers that no communist may be a member of the union can be evaded by a device which is sometimes said to be used when persons join the Communist Party under assumed names.

culty arises when and if Communists or adherents of other political parties put party loyalty first, accepting orders from political sources as to union policy, adopt tactics inimical to good union practice, and attempt to use labor unions for ulterior political purposes.

One of the tactics which Communists and trade union adherents of other political parties sometimes adopt is to attempt to get labor unions to pass resolutions supporting public policies conforming to their own "party line," without of course drawing attention to the political source of such resolutions! The touchstone of the often suddenly changing Communist party line seems to be found in what Communists consider to be, at the moment, to the best interest of Russia in the international situation.

When, as in some instances, the unions supply the employers through their own hiring-halls, politically minded union officials can give preference to party members even for employment. A penetrating description of the "Trojan horse" methods by which Communists sometimes are said to seek control of unions was given by Louis Stark in the *New York Times* (Feb. 12, 1938). He points out also that conservative labor leaders, who may be remiss in their duties, or racketeers, sometimes seek to quell all opposition by the cry of Communism. He explains that, "on the other hand, genuine Communists sometimes seek to divert attention from their adherence to the 'party line' by accusing their opponents of 'red-baiting.' That is why it is difficult to draw general conclusions about the Communist influence in trade unions unless each case is examined individually." It may be added that the accepted Communist philosophy that the end justifies the means, including prevarication, does not simplify the problem although, of course, Communists have no monopoly on the practice of this vice. It should be added, on the other hand, that Communists have helped to clean out racketeering in some unions.

A dangerous feature of allowing Communists to occupy key positions in unions lies in the fact that a change of policy by the Third Internationale is always possible which might leave unions in danger of being either "captured" or wrecked by party orders. Labor unions remember bitterly the previous Communist Party line which was to condemn all regular labor leaders as "labor fakers" and to set up dual Communist-controlled unions of their own. However, the past records of the United Mine Workers and the Amalgamated Clothing Workers, the leading C. I. O. unions, show that they have successfully resisted efforts of Communists to control their organizations. They also defeated

the attempts of Communists to establish rival unions in their industries when the Communist Party policy called for those tactics some years ago.

There have been widespread charges of communism in the United Automobile Workers and, no doubt, the existence of small but active Communist groups within the union and in its leadership were part of the confused picture in this union, particularly since certain Communist factions bitterly fought each other. The explanation of the early troubles in this union, however, is not simple. They were largely due to enormously rapid growth and lack of executive ability in its leadership adequate to cope with the gigantic administrative problems involved.

As to the whole matter of Communism and unionism, it should be emphasized that the total number of Communists and radicals in the American labor movement is very small. An indication of their numbers will be found in Chapter X.

Personalities and Trends

The popular impression that the A. F. of L.—C. I. O. controversy is merely a conflict of personalities, particularly between William Green and John L. Lewis, is too superficial. Personalities are, of course, involved in all such conflicts. However, the basic issue has been rather that of the general direction of the labor union movement, and the adoption of effective methods to include all workers, skilled and unskilled alike, in labor unions. In spite of the split, as has been noted, marked progress in this direction has been made, both by the C. I. O. in organizing mass production industries, and by increased membership in the A. F. of L. Furthermore, a definite trend is now apparent in the A. F. of L. for old craft unions such as the machinists, moulders, carpenters, electricians, and others (in addition to the old industrial unions remaining in the A. F. of L.) to accept into membership all the workers in certain plants and industries, thus practically adopting the trend toward industrial unionism. It seemed to many unskilled workers that these new concessions on the part of some craft unions were made grudgingly, particularly in view of the fact that in such unions as the Carpenters' (which opened its membership to sawmill workers, etc.) and the Brotherhood of Electrical Workers (which opened its membership to production workers in electrical manufacturing plants), unskilled workers were given "Class B" or special status with limited voting privileges—a fact partially explained by lower dues than the "Class A" membership, which includes benefits of union old-age pensions and

other perquisites. It is to be noted also that this broadening of the base of their membership did not affect the craft union form of organization in the building construction industry. While these concessions by some old craft unions, for the most part, came late and were not adequate to meet the problems of a thorough organization of mass production industries before the C. I. O. entered the field, they indicate a significant trend which, if the difficult organizational problems involved can be adjusted with the C. I. O. unions in these fields, may offer new hope for reunion of the two groups of unions.

While the issue is not primarily a conflict of the personalities of Mr. Green and Mr. Lewis, so much has been said on this subject that a study of the labor movement would be incomplete without some observations on these leaders.

Mr. Green has had long experience in the labor movement, having served for years as Secretary-Treasurer of the United Mine Workers before being elected President of the A. F. of L. in 1924. He once served as State Senator in Ohio. He has exercised his influence for greater harmony among the craft unions in the A. F. of L., helping to straighten out their jurisdictional disputes. This, however, is a knotty problem. Disputes between unions as to which one is entitled to do certain types of work in building construction and other industries often tie up operations by strikes when the employers are in no way at fault. The building trades are overwhelmingly A. F. of L. The public will await with interest the results of the significant agreement reached by the A. F. of L. building unions in August, 1939, to abstain from strikes for the settlement of jurisdictional disputes. The C. I. O. made little effort to invade the building field up to July, 1939, when it announced a drive to organize the building trades in industrial unions with a promise to eliminate jurisdictional disputes. The results of these two moves remain to be seen.

In the major conflict between the C. I. O. industrial union movement and the older craft unions Mr. Green has been the spokesman for the Executive Council of the A. F. of L., composed, even before the split, predominantly of craft union leaders. In the councils of the A. F. of L. leading rôles are played by President Hutchinson of the Carpenters, President Tobin of the Teamsters, Matthew Woll of the Photo-Engravers, President John P. Frey of the Metal Trades Department, President H. W. Brown of the Machinists, and other craft union leaders.

Publicity has centered more upon Mr. Lewis than on any one other

leader and, for this reason, some space must be given to the major charges which have been made concerning him.

While it is true that Mr. Lewis is an indomitable fighter, and a personality of great forcefulness, it is not so generally understood that he is also a patient negotiator who can sit for days or weeks in conference with employers and come to agreements based on reason and founded on realistic understanding of the facts of the industry. He is known by operators who have dealt with him as a man of his word, who keeps agreements, and exercises whatever discipline is necessary with his union to do so. The writer once witnessed a typical illustration of this insistence upon keeping agreements. A local of the United Mine Workers had gone on strike in spite of the clause in its contract that no strikes or lockouts would occur during the life of the agreement. The recently elected President of the local, feeling somewhat inflated by his new authority, was standing surrounded by fellow strikers near the mouth of the mine, glaring defiantly across at the Superintendent who stood not far away. As we talked, a telegram was handed to the union President. It read "Strike unauthorized and in violation of contract. Get the men back to work. (Signed) John L. Lewis." The sudden deflation of the situation was almost painful to observe. The men went back to work.

Mr. Lewis is a man of wide reading and self-acquired education. In public addresses and formal statements he presents his case with skilled rhetoric and impressive logic, buttressed by factual data, although his offhand cutting remarks so often quoted by the press give a quite different impression.

On the other hand, it must be said that Mr. Lewis is an aggressive leader, has a temperament of command, and can be ruthless in suppression of opposition to his leadership.

The fact that Mr. Lewis has stayed with the labor movement through thick and thin, when his abilities could have secured him high-paid positions in industry, would seem to attest his honest interest and sincerity, his passion to advance the interests of labor. While to the idealist high salaries in the labor movement seem inappropriate and regretable, Mr. Lewis' present salary of $25,000 a year is no larger than the salaries of some A. F. of L. craft union officials. It is also far short of the salaries paid by industry for comparable services of their executives.

The charge that Mr. Lewis is Dictator of the C. I. O. seems unfounded, in view of the forcefulness, ability and high character of other

C. I. O. leaders, including such men of integrity, sincerity and intelligence as the late Charles P. Howard, who acted as Secretary of the C. I. O., Sidney Hillman, President of the Amalgamated Clothing Workers and Chairman of the Textile Workers Organizing Committee, Philip Murray, Vice President of the United Mine Workers and Chairman of the Steel Workers Organizing Committee, and others. The participation of these men, and many younger leaders, in the councils of the Congress of Industrial Organizations gives assurance that the organization is not a "one man" movement, although Mr. Lewis undoubtedly exercises a strong and influential leadership.

Congress of Industrial Organizations

In November, 1938, the C. I. O., which had been only a Committee up to that time, held a Constitutional Convention and organized formally as the Congress of Industrial Organizations. The unanimous election by accredited delegates from all C. I. O. unions of John L. Lewis as President put an end to the charge that he was a "self appointed" leader. The formal adoption of a constitution with democratic provisions and safeguards also diminished the charges of dictatorship in the C. I. O. Some also felt that the convention established a basis for eventual reconciliation with the A. F. of L., because of the demonstration of C. I. O. strength. Impartial observers commented upon the youth, progressive spirit, and marked enthusiasm of the Convention.

However, the International Ladies Garment Workers Union, which had been a member of the C. I. O. up until the Constitutional Convention, refused to send delegates or join the Congress of Industrial Organizations on the ground that the setting up of a permanent Congress established a definite dual labor movement and would make eventual reunion with the A. F. of L. more difficult. The I. L. G. W. U., therefore, is not now affiliated with either the A. F. of L. or the C. I. O., but declares its purpose to "support every genuine effort, whether C. I. O. or A. F. of L., in their organizational activities for the improvement of the conditions of the workers, and in every effort to achieve peace in the labor movement."[7]

Organization and Status of C. I. O.

At the C. I. O. Convention not only was the Congress of Industrial Organizations established as a constitutional body with a national executive board composed of the presidents of its international unions and

[7] In June 1940, the I. L. G. W. U. voted to reaffiliate with the A. F. of L.

organizing committees, but local industrial union councils were also set up paralleling the state and city federations of the A. F. of L.

A phase of the organizational set-up of the C. I. O. still remains somewhat anomalous. During the organization drives in a number of important industries, the C. I. O. had set up "organizing committees" headed by experienced union officials, appointed by the C. I. O. and drawn from older unions, particularly the United Mine Workers and the Amalgamated Clothing Workers. The marked success of the C. I. O. in organizing hitherto unorganized industries was undoubtedly largely due to the ability and intelligence of these appointed leaders, whose direction and advice saved the young organizations from many mistakes and weaknesses common to newly formed unions. The generous financial help from the older C. I. O. unions also made success possible in industries where organization had often previously failed. At the C. I. O. Convention these "organizing committees," such as the Steel Workers Organizing Committee, the Packinghouse Workers Organizing Committee, and others, were given the full status of international unions with equal voting privileges and dues-paying responsibilities. But their officers as yet hold their positions by virtue of appointment from the C. I. O. They are not yet autonomous and do not yet exercise the democratic privilege of electing their own officials. It would obviously be undemocratic, and leave too concentrated power in the hands of the C. I. O. central authorities to continue this arrangement permanently. While there appears to be no provision in the C. I. O. Constitution, as such, for the change to autonomy for these organizing committees, the C. I. O. leaders state that all such organization committees will be duly organized by called conventions into autonomous unions as soon as self-discipline, education and leadership have been developed within their ranks to the necessary stage. They point to the chaotic conditions in the early history of the Automobile Workers Union as indicative of the kind of inefficiency and trouble avoided under the appointed organizing committees in other industries. Since the first C. I. O. Convention it is encouraging to note that a constitutional convention was held by the large Textile Workers Organizing Committee and the United Textile Workers which became a single autonomous union under the name of the Textile Workers Union of America, affiliated with the C. I. O.[8] This union was represented by its own elected officers at the C. I. O. Convention of 1939.

[8] Francis Gorman, formerly President of the United Textile Workers, called a rival convention and obtained a charter from the A. F. of L. for a group of textile workers under the title of the United Textile Workers of America.

Outlook for Reconciliation

In concluding this section on the A. F. of L. and the C. I. O., the hope may be expressed that a way will be found to bring about a merger of the two groups in a united, progressive and intelligent labor union movement which will include within its ranks both craft and industrial workers, skilled and unskilled. That this is not impossible of accomplishment is indicated in the British Labor Union Movement. Herbert Morrison, Labor Member of Parliament and Chairman of the Labor Community Council, comparing many aspects of British and American unionism, has stated that "side by side within the Trade Union Congress, industrial unions, craft unions and general labor unions, catering to a wide variety of trades, exist in substantial friendship. They take their part in the great work of the Congress as the comprehensive organization of industrial labor. Demarcation (jurisdictional) disputes arise of course, but most of them are settled by direct discussion or through meditation." [9]

There are grounds for hope in the fact that in most places one finds little, if any, bad feeling between rank and file members of A. F. of L. and C. I. O. unions.

The national conventions of both organizations have appointed committees for the continuance of peace negotiations. The A. F. of L. committee has publicly announced its willingness to resume meetings with the C. I. O. committee at any time.

Questions for Discussion

1. What led up to the A. F. of L.—C. I. O. split?
2. What is the total membership in American labor unions?
3. Is the C. I. O. a Communist-controlled organization?
4. Is the conflict merely due to personal differences between Green and Lewis?
5. What trends point toward labor peace?
6. What are the principal difficulties to be overcome?

[9] *New York Times,* July 31, 1938.

Chapter IV

HOW GRIEVANCES ARE ADJUSTED

We may now turn to a discussion of many problems in organization and practice which are largely common to both craft and industrial unions.

We shall describe briefly the typical union contract and machinery by which unions and employers settle their differences during the terms of their agreements.

The Union Contract

The typical union agreement includes recognition by the company of the union as representing the employees. The agreed-upon terms of the contract are then stated in writing, including wage rates, hours, vacations (if any), seniority rights, holidays, safety and health safeguards, methods of adjusting grievances, the right of management to hire, transfer, or discharge workers for just cause. If, however, a worker feels he has been discharged for unjust reasons or because of discrimination against him as a union man, he may take the matter up like other grievances through the grievance machinery. The latter provision is one of the most important safeguards of workers' rights secured by unionization. Laws covering *property* rights provide that a man cannot be deprived of his property "without due process of law." This union provision has the effect of safeguarding a worker from being deprived of his *job* (often his principal "property right") without due process of democratic procedure.

Since Section 7 of the contract between the Jones & Laughlin Steel Corporation and the Steel Workers Organizing Committee is fairly representative of a common form of union agreement for both craft and industrial unions, we quote it as follows:

> Section 7—Adjustment of Grievances
>
> "Should any difference arise between the Corporation and the Union or any employee of the Corporation as to the meaning and application of the provisions of this Agreement, or should any local

trouble of any kind arise in any plant, there shall be no suspension of work on account of such differences but an earnest effort shall be made to settle such differences immediately in the following manner:

"First, between the aggrieved employee and the Foreman of the department involved;

"Second, between a member or members of the Grievance Committee, designated by the Union, and the Foreman and Superintendent of the Department;

"Third, between a member or members of the Grievance Committee, designated by the Union, and the General Superintendent or Manager of the Works or his designated assistant;

"Fourth, between the Representatives of the National organization of the Union and the Representatives of the Executives of the Corporation; and

"Fifth, in the event the dispute shall not have been satisfactorily settled, the matter shall then be appealed to an impartial umpire to be appointed by mutual agreement of the parties hereto. [It is well to have included in the provision for arbitration a clause giving the names of an agreed-on panel from which an arbitrator will be selected, avoiding public men with strong political ties or ambitions; or an agreement that the Union will choose one arbitrator, the employer one, and these two will choose a third; or that some official such as the State Labor Commissioner will serve as the third member, if needed. Such arrangements avoid misunderstanding and bickering when arbitration is called for. Some employers' associations and unions jointly select and equally share the annual salary of a standing arbitrator or Impartial Chairman.] The decision of the umpire shall be final. The expense and salary incident to the services of the umpire shall be paid jointly by the Corporation and the Union."

Union-employer machinery for settling disputes in Great Britain is similar to American practice except that British agreements often add a still further step by referring a dispute to a joint committee of employers and union officials who are not themselves directly concerned with the controversy. If not settled, the matter may then be referred to arbitration, usually with neither side pledged in advance to abide by the arbitration decision, though it is usually accepted by both sides.

The Closed Shop and the Check-off

So much misunderstanding has arisen with reference to "the closed shop" and the "check-off" that space must be devoted here to these particular features, which are sometimes included in union agreements.

A closed shop is one in which all employees are required by the terms of the contract to belong to the union. The closed shop has often been a bitterly contested issue. The employer often takes the position that it is not fair for him to force all his employees to join the union whether they wish to do so or not. "Closed shops" are not confined to labor circles. Many business and professional groups seek by various methods to restrict participation in their lines of business or professional practice to members of their respective associations. Is it not selfish and unfair for some workers to accept the improvements in wages, hours, and freedom gained for them through the efforts and sacrifices of union members and yet refuse to support the union and pay their dues? Such individuals may be said to indulge in a working class variety of tax dodging. Workers themselves should settle the closed shop issue by voluntarily joining the union. The moral indignation of press and pulpit against the coercion of the closed shop could as well be turned against the selfish acceptance of benefits of labor unionism by workers who refuse to help pay the price and share the responsibility for direction of the labor movement.

There are several types of closed shops. The more common one, which is increasingly referred to as "the union shop," leaves an employer free to hire any one he desires. If, after two or three weeks' trial period, the employer finds the new employee satisfactory and makes him permanent, he is then required to join the union. The less frequent type is where a union maintains an employment office or hiring hall and supplies all employees. Even in these cases there is usually a proviso of a trial period during which time the employer can demand another worker.

Under certain circumstances political considerations, racketeering, "kick-backs," or contributions from workers to union officials, and curtailment of efficiency have accompanied a completely closed shop.

Most unions, however, conduct their job placement efficiently and fairly, supplying good workers and safeguarding against political or personal preference among their own members, by the rotation system which gives each his fair chance of work.

Many unions are content with a "preferential shop" where union

members are given the first opportunity for employment. As an illustration, the Amalgamated Clothing Workers conduct an excellent employment service on a "preferential shop" basis and agree that, if they are unable to furnish a union man on short notice, the employer may hire anyone. The union agreement stipulates that, in any necessary reductions of the working force, non-union workers shall be the first to be laid off. They are quite free to join the union, however, after they are hired.

It should be noted in passing that the A. F. of L.—C. I. O. conflict greatly increased the demands of unions for closed shops in order to prevent raiding by rival unions.

The explanation for the highly emotional nature of the general conflict over a completely unionized shop probably lies in the fact that many employers have not yet fully accepted the principle of collective bargaining. On the other hand, the union suspects that, in refusing to have all employees union members, the employers will use the situation to continue their efforts to undermine and finally get rid of the union altogether. The general use of the term "open shop" by employers to mean a shop where there is no recognition of, nor collective dealing with, a union (whether or not individual union workers are allowed to work in the shop), has further confirmed the unions' suspicion. Probably, as employers more generally accept collective union relations, the matter of the closed or the union shop will cease to be an issue. The history of labor relations in Great Britain seems to confirm this view.[1]

Union Dues—The Check-off

While it is not included in most union contracts, a word should also be said about the "check-off," or deduction of union dues from wages by employers, who turn these dues of their employees directly over to the union treasurer. This is done by consent of union employees as a part of the approved union contract. With all the public outcry against the "check-off," it is amusing to note that many employers actually prefer the "check-off," since it results in fewer personal contacts of their employees with union officials! It is, however, questionable whether the "check-off" is a healthy practice in the long run for the best interests of responsible and democratic unionism. In any case, the practice is not general, being confined chiefly to the Coal Miners (CIO), the Team-

[1] Closed shop contracts have been declared legal by the courts. The National Labor Relations Board in August 1939, however, ruled that refusal by an employer to agree to a closed shop is not a refusal to bargain collectively nor a violation of the National Labor Relations Act. *News Week*, Sept. 4, 1939.

sters (AFL), and a few other unions. It is to be noted also that the union "check-off" is not an isolated practice. Payrolls are similarly used for "check-offs" by many companies for house rent, doctors' fees, and other charges.

The amount of union dues has also been the subject of considerable misrepresentation and misunderstanding. High initiation fees and exorbitant dues are found in a few craft unions where a monopoly of skilled labor is sought. Even this phenomenon would tend to disappear if unemployment were abolished and there were work opportunities for all. The usual initiation fee of most unions is small and dues average 25 cents or 50 cents a week—with proportionately higher dues if old-age pensions, sick and death benefits, unemployment insurance, strike benefits, etc., are maintained by the union. Unemployed members are not required to pay dues while they are out of work.

Settling Grievances

It will be of interest to note a typical set of rules for union representatives for their daily conduct with reference to the handling of grievances as they arise in the shop. It is upon such fair attitudes that unions and employers rely for the amicable daily relations which characterize many unionized plants. The following rules were issued by the Steel Workers Organizing Committee but fairly represent standards of procedure by many unions, both A. F. of L. and C. I. O.

"Do's and Don'ts"
Pointers for Committeemen[2]

"DO get both sides to every grievance. DON'T make a final decision or public declaration on a grievance until you know both sides of the grievance.

"DO refuse to handle unjustified grievances. There are two kinds of unjustified grievances. First, the grievance that is not covered by the contract. Usually grievances not covered by the contract should be corrected, but you cannot do anything about it unless your contract covers it. Secondly, there is the grievance that is not supported by facts. Ascertain all the facts concerning every grievance submitted to you by your fellow employees. If the grievance is not supported by fact, be BIG ENOUGH to say so frankly. If a member of the Union is not satisfied with your decision, he can always take it up at the Union meeting.

[2] See *Handling Grievances*—a handbook for Committeemen of local lodges of S. W. O. C., 1500 Commonwealth Building, Pittsburgh, Pa.

"DO give everybody a civil and courteous answer. Every fellow employee, union member or not, deserves a decent reply. If he is treated as a friend and fellow worker and sympathetically listened to, he will feel a lot more friendly toward the Union, than he will if given a short unkind answer.

"DON'T coerce or intimidate anybody into joining the Union. He may join if threatened, but he will never be a good Union man.

"DON'T be kicked into a wildcat or illegal strike. A good many management supervisory and minor officials have deep-seated prejudices against Unions. They feel the Union threatens their power. Some such officials endeavor to destroy the Union by subtle threats, rumors, petty discriminations, etc. Our experience has generally been that the chief executive officials of the companies who have signed Union contracts have done so in good faith and intend that the contracts be observed by their associate management officials in every respect. Where foremen or other minor company officials are obviously unfair and hostile toward Union members, DON'T strike. Instead, such acts on their part should be brought to the attention of Union committeemen and S. W. O. C. staff members who, if necessary, will report such acts to proper company officials as being such as to prevent proper cooperative relationships.

"DON'T laugh if your boss has to go to school. Just as new Union members and officials require education, so do many company officials. Some companies are now holding meetings of foremen and other supervisory officials for the purpose of acquainting them with the Union contract and company policy regarding observance of its provisions."

While not all union representatives live up to these high standards, it is significant that a large national union issues such instructions to committeemen and that this general attitude is fairly representative of a great many unions, both A. F. of L. and C. I. O. The picture, of course, varies in different unions and industries as, indeed, fair dealing varies among employers. In situations which sometimes occur when a union representative is unfair or unreasonable, an employer can often secure relief by appealing to the higher officials of the union. If necessary, in order to "save the face" of the local union official and not "go over his head," this can often be accomplished informally and unofficially by a third party, perhaps a minister or lawyer friendly to both sides.

It is an interesting experience to sit in at a grievance hearing between

the company and union representatives, or before the final "impartial chairman" or arbitrator. Evidence is presented in orderly fashion by both sides and final disposition is made of the dispute. By the use of such typical union machinery, conflicts between labor and employers are settled by democratic processes, without recourse on the one hand to arbitrary and autocratic procedure by employers in which the workers have no voice, or, on the other hand, to emotional and unreasoned revolt on the part of the workers, often culminating in bitterness, strikes, and violence.

After a public utility, like the railroad industry, is thoroughly organized and no question remains about the union being recognized, further stabilization of labor relations is possible as provided by the Railway Act in which (although there is neither "check-off" nor "closed shop") company unions are banned, regular labor unions granted recognition, and provisions established by law prohibiting either a strike or a lockout until all the resources of settlement laid down have been exhausted. These include direct conferences between the employers and unions, and hearings and mediation by the National Mediation Board. If these efforts fail, neither side may put a lockout or strike into effect for thirty days (although a strike *vote* may be taken). Formal notice must be served thirty days in advance of a proposed strike or lockout, or reduction in wages. If a strike or lockout is declared the Act provides "that the President of the United States shall appoint a fact-finding commission. The commission must gather evidence, examine witnesses and make a recommendation within thirty days from the time it starts to function. During the period the commission is meeting and for thirty days after it has made a recommendation, a *status quo* is maintained. At the conclusion of the thirty-day period each side may act as it sees fit." But the delays for considered judgment, the fact findng by an impartial commission, and the influence of public opinion all tend to minimize any probability of a strike or lockout.

Peaceful Renewal of Agreements

Even when a union contract expires and the employers and union may fail to agree on terms for a new contract, a strike or lockout can be avoided by mutual agreement to continue operation on the old terms until negotiations are concluded and the new contract signed. This arrangement prevents loss by the industry and suffering among the workers. This was done, for instance, in 1937 in the soft coal industry, but in 1939 the operators refused the offer of the United Mine Workers

to adopt this policy. The result was serious inconvenience to the public and widespread hunger and suffering among thousands of miners' families. The anthracite employers, on the other hand, agreed in 1939, as they had for 14 years, to extend the old contract if necessary during several weeks of negotiation, with the result that the mines were kept running and the owners, workers and public suffered no hardship.

Fair dealing and cooperation for efficiency on the part of unions where they are established is the best form of advertising for the union movement. On the other hand, perhaps no one thing slows down new unionization of new plants so seriously as reports of unfair practices by unions in already organized industries. Unbusinesslike and irritating delays in necessary adjustments in employment problems, failure to organize competitors leaving an unfair burden on unionized plants; union officials who are "too busy" to be bothered with prompt attention to employers' requests for conference and adjustments; problems arising from inter-union conflicts both jurisdictional disputes within the A. F. of L., and C. I. O.—A. F. of L. conflicts; these and other failures of union officials to live up to the best practice of the trade union movement are the worst form of bad advertising for organized labor. Of course, similar charges can perhaps as frequently be made against employers and employers' associations. Both sides need to remember that their own cause is helped in the end by businesslike procedures and fair dealings.

In the daily contacts of employers and union representatives a spirit of fairness and give-and-take will make life more pleasant for both sides. Under such conditions each learns not to press the other too far.

In the interest of stable and responsible relations, both sides must learn to make reasonable compromises and adjustments. This is true, of course, of all human relations wherever groups, nations, a family or individuals endeavor to live together in peace.

Questions for Discussion

1. What are the usual points covered by a contract between an employer and a union?
2. What is the closed shop—the union shop—the preferential shop—the open shop—and what do you think of each?
3. What is the check-off? Is it widely used?
4. What machinery to settle grievances without strikes or lockouts is provided by union agreements?

Chapter V

STRIKES AND HOW TO PREVENT THEM

The use of strikes by labor unions constitutes perhaps the greatest single cause for the unpopularity of organized labor in the public mind. Editorials and cartoons constantly point out the inconvenience and suffering of the innocent public during industrial disputes. Often the public, because of its tolerance of bad conditions, its lack of information on the issues involved, and its selfish indifference, is far from being as "innocent" as it likes to believe. In any case, there is need for a clearer understanding of the attitude and record of organized labor with reference to strikes.

Causes of Strikes

As a result of the writer's many years of experience in careful investigation of the causes of strikes in all sections of the United States, a number of observations seem justified. In the first place, it is not primarily "union agitators" but conditions which frequently cause strikes. In the course of a thorough study of a strike in the Colorado coal fields some years ago, we discovered that while the strike had been led by the Industrial Workers of the World—a radical organization—a very small percentage of the strikers were members of that organization or subscribed to its philosophy. When questioned as to why they followed such radical leaders, the miners stated that conditions were so bad that "we would have followed anybody." As one man put it, "the Women's Christian Temperance Union could have led this strike and we would have followed them just the same."

In general, it is always well not to take anything for granted but to investigate beneath the surface of strikes, behind their leadership, exploring possible causes in wages paid, hours worked, housing conditions, the speed-up, denial of the right of organization, or other working conditions.

In the wave of textile strikes in the South a few years ago, mill after mill of unorganized workers walked out on strike because of discontent over the oppressive burden of the speed-up or "stretch-out" system. It was often after they struck that labor organizers arrived, sometimes at the strikers' request, to help organize them into unions.

I talked with a group of these strikers where there was no sign of a union. They declared that they just couldn't stand the speed-up any longer. They described the industrial engineers hired by the employer to get more work out of them as "minute men" because they used stop-watches to time operations. With characteristic mountain humor they declared that "one of these minute men died and was being carried to his grave by six men. But he just couldn't stand it and sat up in his coffin and shouted 'four men would be plenty to do this job.' "

It would be helpful if the public would take pains to learn exactly how much money industrial workers earn annually. In arriving at fair judgments with reference to wages, it is important that the public should guard against being misled by reports of "high wages" based on *hourly rates* only. No man can live on an hourly rate of pay. The question is, how much work does he get for the year? The average annual income of wage-earners is the only fair basis for judgment. Groups of ministers and citizens who are interviewed by an employer or taken on an inspection tour through a factory often fail to obtain full information on these vital points. Groups desiring full information should question the management more closely, visit union headquarters, asking the same questions, and make a final check with state or federal labor department sources. Failing time for personal interviews with both sides and government officials, citizens can at least make a point of reading not only newspaper accounts but labor papers or liberal magazines in the honest endeavor to consider the situation from more than one point of view.

Middle-class people whose only contacts with labor are with the relatively highly paid plumbers, carpenters, and others who come to do house repairs, need to keep in mind the above considerations and also realize that the "union wages" of the building trades are not at all representative of the lower union scales in industry as a whole.

To the objection that union wages "place all workers on the same level and eliminate incentives to higher production by individuals," unions usually reply that they have no objection to employers paying certain individuals higher than the union scale which is agreed on only as a *minimum*. Few employers feel that they can afford to adopt such a policy in view of the relatively high union scale.

However, the above objection has no weight where agreed-on union scales are *piece-work rates,* as they are for coal mining, men's and women's clothing manufacture, in some textile manufacturing, and in certain processes in other industries.

In times of industrial unrest every intelligent citizen will desire to find out what the conditions are with which workers feel discontented, rather than blaming all strikes indiscriminately on "agitators." The same advice would hold good for "pro-labor" enthusiasts. All that glitters is not gold. Jurisdictional disputes, possible rackets, or unreasonable demands need to be identified.

It is important also to judge demands for shorter hours, higher pay and restrictions in the amount of work in the light of the workers' justifiable fear of "working themselves out of a job." This does not wholly excuse some of the artificial restrictions and arbitrary rules of certain craft unions, such as some of the musicians and others, but particularly building trades unions. As a matter of fact, it is charged that the building construction industry itself, including manufacturers and distributors of materials, and contractors as well as labor, is involved in widespread restraints of trade resulting in artificially high prices. The Federal Department of Justice has begun a nation-wide investigation in this connection.

Perhaps harsh judgment of restrictive practices of labor would be softened also by realizing that employers also often adopt restricted production policies in order to keep prices high, and the government has done the same. These policies are all results of our "scarcity economy" practices and will probably not be changed much until the thought of the nation turns to saner methods of maximum production for the widest use, with the necessary changes in distribution of purchasing power.

Fewer Strikes When Labor Is Organized

As a matter of fact, it has been the writer's observation that there are more strikes where there are no labor unions, or where employers are actively opposing the formation of unions, than there are in industries where established unions exist.

Any generalization on this matter must, of course, take into account other variants which increase strike frequency, such as a rising business cycle, increasing prices, racketeering situations, periods of industrial development in a national economy, and political factors. It would seem justifiable to say that, other conditions being equal, there tend to be fewer strikes where labor is thoroughly organized.

There are various reasons for this. In the first place employers, in order to make necessary adjustments to remove industrial unrest, must be aware that it exists. Where there are no open channels for free, fearless

expression on the part of workers, it is very difficult for an employer to know the true state of feeling among his employees.

While I was Personnel Director in a factory I had an enlightening experience. Many complaints had come from a brick-cleaning gang. I investigated, interviewing the foreman, the men, and inspecting the records. I decided the men were underpaid and attempted to adjust the situation with the mill manager. He declared the gang was lazy and wanted to know what I knew about cleaning bricks anyway. I didn't know much, having recently left the pulpit for my job in the mill. The manager said, "Go clean some bricks yourself before you talk to me about it." So I went to work with the gang. At the end of the day I still believed the men were underpaid, but I *felt* very differently about it than when I had arrived at this conclusion before. The foreman had come around and instructed us to pick up and clean (chip off old cement) only the bricks in front of each of us after a section of wall had been pulled down. As soon as he left, however, a fellow-worker ran all around the lot and picked up all the clean bricks and added them to his pile. Since we were paid by the hundred, he made good money with little effort! I did not feel any better when I recalled that the manager had cited this man's pay to me as that of a good worker and had alleged that the rest of the men, now including myself, were lazy.

Later, the foreman returned, fearing that I would not work hard enough. He stood and watched me work all afternoon with the insulting implications involved. I had heard and read about labor's aversions to speed-up and the close supervision of a driving foreman, but I never before *felt* about the speed-up the way I did then. Although a philosophical pacifist, it was difficult for me not to heave a brick at the foreman. The point is that *no one except the workers themselves know how they feel* about working conditions. Scientific management must know how they feel so that it can make fair and necessary adjustments. Employers who are afraid of unions because they bring up grievances remind one of an old lady on a visit to a boiler house. She was greatly frightened when the safety valve blew off with a great noise. She should have been delighted, since the safety valve averted an explosion and saved her life. A union is a safety valve. It often lets off steam and averts a more serious explosion by calling attention to discontent over conditions and providing machinery for their peaceful adjustment.

A mill owner in the South whose workers were unorganized said he was dumbfounded when his employees went on strike. He had no real way of knowing how they felt. I have also known several cases of

company unions which were allowed to discuss only minor grievances, major issues being taboo. Strikes resulted.

The workers themselves are the only ones who know how they feel about a given situation. An intelligent manager welcomes a good labor union which, whatever else its faults, does not fail to keep him informed on this subject and give him a chance to adjust matters.

In the second place, when once the right of labor organization has been conceded by the employer, agreements are signed which provide machinery for the adjustment of grievances during the terms of the contract. Such agreements, as shown in Chapter IV, commonly include a stipulation that the union will not resort to a strike nor the employer to a lockout during the term of the contract, but that both will use the democratic machinery provided for the peaceful adjustment of disputes.

The effect of thorough organization as a safeguard against strikes was clearly illustrated in 1937. It was during the widespread confusion of the C. I. O. strikes in the automobile industry, where employers were opposing the formation of unions, that the Amalgamated Clothing Workers, another C. I. O. union, quietly negotiated a new agreement with employers providing better conditions for 140,000 workers without ever stopping a wheel. As the 1937 Labor Sunday Message of the Federal Council of Churches declared: "Many industries in this country have been organized over a long period of years. It has been demonstrated that it is possible for organized employers and organized employees to maintain harmonious relations and to adjust their differences through joint conciliation without recourse to strikes or lockouts during the terms of their contracts."

Timing of Strikes

Strikes occur most frequently during upturns in business. During recessions workers suffer from wage reductions, part-time employment or total unemployment. Jobs are too scarce to risk by making demands for higher pay or better conditions. During upturns in business, workers see their companies apparently prospering and note the increasing dividends declared to stockholders. At the same time, labor feels the pinch of rising prices in family budgets which have little or no margins. Demands for higher wages follow, which are often obtained by negotiation in organized industries. In unorganized industries, when employers do not raise wages voluntarily to adequately meet rising costs of living and make a fair division of profits with labor, strikes often follow. Demands are made for higher wages and usually for collective bargaining agree-

ments which labor, over a long period of years, has found to be the only adequate method of assuring its fair share of the productivity of industry.

Peaceable Strikes

Under some circumstances strikes can be, and many have been, conducted peacefully and without coercion or violence. By the collective action of refusing to work under conditions considered unsatisfactory, by publicity and enlistment of public sympathy, by peaceful picketing of the plant, by economic pressure on the employer (if he has orders and is anxious to resume production), by the friendly mediation of state and federal officials or church and citizens' committees, strikes may be and many are settled without public disorder and with a minimum of bad feeling. While even peaceful picketing may, when a union does not have a reasonable case, be unfair to the employer, the latter can usually employ the same device, using counter pickets or signs in the window to state his own case to the public. Another phase of the picketing problem is when all unions flatly refuse to pass a picket line set up by another union. While a large degree of solidarity is essential to the labor movement, and at times justifiable strikes have been lost because such inter-union loyalty has been lacking, it would seem that other unions expected to respect a picket line should have some voice in preceding negotiations before a strike is imposed. Also, no union should refuse to work in violation of its own contract calling for no stoppages for any cause.

There have been a few experiments in "pacifist" non-resistance, applying Gandhi's method. In Reading, Pa., Hosiery Workers lay down on the sidewalks at the factory gates, making it necessary for non-strikers to walk on them in order to get into the factory. Years ago the I. W. W. lined the streets for several blocks during a parade and, by simply refraining from applause when President Wilson passed by, secured a much desired interview. In several strikes members of the Amalgamated Clothing Workers have lain down in front of trucks attempting to move goods. Robert Brooks, in his book, *When Labor Organizes,* describes also a method used during the Toledo Auto strike in which strikers ignored an injunction but quietly and voluntarily submitted to arrest and filled all police wagons and the jails to overflowing. Such techniques may arouse public sympathy by the voluntary suffering of strikers, but require very strict discipline and self-control to prevent such demonstrations from turning into riots.

When the civil liberties of free speech and peaceful assemblage of strikers are denied by local authorities, as frequently occurs; when local police or company guards are provocative or undisciplined; when strikers resort to personal violence against non-striking employees or to the type of mass picketing which makes it physically impossible for any one desiring to do so to enter the plant; when the strike is a prolonged one so that workers' wives and children suffer from hunger and the men become desperate; when union leaders are unjustifiably arrested and thrown into jail; when tear gas or fire-arms are used against the strikers; when spies in the employ of the company insinuate themselves into the union, often becoming union officials, and circulate among the strikers, purposely urging them on to violence in order to throw public opinion against the union—a state of great bitterness, hatred, and public disorder follows.

The situation may end in complete defeat of the strikers followed by years of bitterness, sullenness and relatively inefficient labor in the plant. It may terminate in complete victory for the union, producing a "victory complex" in union members which makes it hard to live with them for some time. Or the strike may be finally settled around the conference table where it could have been settled in the first place—without the hardships and losses which a strike imposes on all parties concerned.

Sit-down Strikes

The wave of sit-down strikes had largely subsided even before this method of conducting a strike was declared illegal by the U. S. Supreme Court. The matter is not now an immediate issue, but one or two observations may be made.

While sit-down or sit-in strikes assumed large proportions for the first time during 1937, chiefly among the newer C. I. O. unions, they had not been unknown in previous American Labor history. The antecedents of sit-down strikes in this country were the "stoppages" practiced over twenty-five years ago by the clothing workers in Chicago and New York before they became organized. Workers merely sat idle at their machines as a protest over grievances and as a method of securing adjustment from the management. A sit-down strike occurred as far back as 1906 in the Schenectady plant of the General Electric Company. An overnight sit-down occurred in Akron in the summer of 1935 on the part of the United Rubber Workers, then an A. F. of L. union. In 1937 adoption of the sit-down technique seems to have been a spontaneous action of rank-and-file workers, chiefly in the new indus-

trial unions, rather than a studied policy promoted by national leaders. In fact, responsible union leaders probably view the discontinuance of the sit-down with relief. It is a two-edged weapon, dangerous to the union itself. By its use, it is too easy for a small minority in a union to cause unauthorized strikes, defying discipline and democratic union procedure.

During the wave of sit-down strikes, it was typical of our strange American psychology on the subject of "law and order" that some of the loudest critics of the sit-down and of other high-handed strike tactics as illegal, themselves publicly expressed approval not only of defiance of the National Labor Relations Law, but also of acts of open violence and mob action directed against strikers. The mayor of an eastern city announced that workers in his city would be allowed to organize and strike, but that no outside labor leaders would be allowed in the city. Illegal violations of constitutional civil liberties have been condoned, and even participated in, at various times by peace officers in many parts of the country and in strike situations in Arkansas, Kentucky, California, Jersey City, and many other places, not to mention innumerable lynchings in southern states. America has a long way to go before it learns to respect its own laws. In the interest of public welfare, it is urgently necessary that crude methods of coercion by all parties in conflict be abandoned.

The "general strike" of all labor in a given city or country has been tried only a few times and has always ended in failure on the part of labor. The reason for this is that such a complete paralysis of community or national life inevitably constitutes a challenge to government itself. Labor, unless it desires and is prepared to carry through an actual revolution and seize the government and all its agencies, finds itself confronted by the police, military and judicial power of the government, and has to give in.

It should be noted that neither the A. F. of L. nor the C. I. O. has the power to call general or sympathetic strikes. Each international union is autonomous and must decide for itself. The best union practice calls for a majority vote by members of the union involved, before a strike can be called.

"The Right to Work"

During strikes involving a demand for union recognition, the basic issue is often beclouded by employers, press, and radio commentators. A cry goes up about "the right to work for those who wish to work," as well as the "right to strike for those who wish to strike." This misses

the whole point at issue, which is not the right to strike or the right to work, but *the right to work under the democratic safeguards of collective bargaining agreements.* When this is flatly denied by the company, "back-to-work" movements are not necessarily indicative of the real desires of the workers.

As a matter of fact, investigation by the National Labor Relations Board has shown that while "back-to-work" movements during a strike are ostensibly "civic movements," they are often instigated directly by the employer or indirectly through a company union, an "independent union," a labor spy, or through business associates in the community. The "Mohawk Valley Formula," as it is called, for a "back-to-work" movement, first devised by the Remington Rand Company when involved in a strike by the American Federation of Labor, but widely used in the "little steel" strike and elsewhere, is summarized by the National Labor Relations Board as follows:

> "First: When a strike is threatened, label the union leaders as 'agitators' to discredit them with the public and their own followers. In the plant, conduct a forced balloting under the direction of foremen in an attempt to ascertain the strength of the union and to make possible misrepresentation of the strikers as a small minority imposing their will upon the majority. At the same time, disseminate propaganda, by means of press releases, advertisements, and the activities of 'missionaries,' such propaganda falsely stating the issues involved in the strike so that the strikers appear to be making arbitrary demands, and the real issues, such as the employer's refusal to bargain collectively, are obscured. Concurrently with these moves, by exerting economic pressure through threats to move the plant, align the influential members of the community into a cohesive group opposed to the strike. Include in this group, usually designated a 'Citizen's Committee,' representatives of the bankers, real estate owners, and business men, i.e., those most sensitive to any threat of removal of the plant because of its effect upon property values and purchasing power flowing from payrolls.
>
> "Second: When the strike is called, raise high the banner of 'law and order,' thereby causing the community to mass legal and police weapons against a wholly imagined violence and to forget that those of its members who are employees have equal rights with the other members of the community.
>
> "Third: Call a 'mass meeting' of the citizens to coordinate pub-

lic sentiment against the strike and to strengthen the power of the Citizen's Committee, which organization, thus supported, will both aid the employer in exerting pressure upon the local authorities and itself sponsor vigilante activities.

"Fourth: Bring about the formation of a large armed police force to intimidate the strikers and to exert a psychological effect upon the citizens. This force is built by utilizing local police, State Police, if the Governor cooperates, vigilantes, and special deputies, the deputies being chosen if possible from other neighborhoods, so that there will be no personal relationships to induce sympathy for the strikers. Coach the deputies and vigilantes on the law of unlawful assembly, inciting to riot, disorderly conduct, etc., so that, unhampered by any thought that the strikers may also possess some rights, they will be ready and anxious to use their newly acquired authority to the limit.

"Fifth: And perhaps most important, heighten the demoralizing effect of the above measures—all designed to convince the strikers that their cause is hopeless—by a 'back to work' movement, operated by a puppet association of so-called 'loyal employees' secretly organized by the employer. Have this association wage a publicity campaign in its own name and coordinate such campaign with the work of the 'Missionaries' circulating among the strikers and visiting their homes. This 'back to work' movement has these results: It causes the public to believe that the strikers are in the minority and that most of the employees desire to return to work, thereby winning sympathy for the employer and an endorsement of his activities to such an extent that the public is willing to pay the huge costs, direct and indirect, resulting from the heavy forces of police. This back-to-work movement also enables the employer, when the plant is later opened, to operate it with strikebreakers if necessary and to continue to refuse to bargain collectively with the strikers. In addition, the 'back to work' movement permits the employer to keep a constant check on the strength of the union through the number of applications received from employees ready to break ranks and return to work, such number being kept a secret from the public and the other employees, so that the doubts and fears created by such secrecy will in turn induce still others to make applications.

"Sixth: When a sufficient number of applications are on hand, fix a date for an opening of the plant through the device of having

such opening requested by the 'back to work' association. Together with the Citizen's Committee, prepare for such opening by making provision for a peak army of police, by roping off the areas surrounding the plant, by securing arms and ammunition, etc. The purpose of the 'opening' of the plant is threefold: To see if enough employees are ready to return to work; to induce still others to return as a result of the demoralizing effect produced by the opening of the plant and the return of some of their number; and, lastly, even if the maneuver fails to induce a sufficient number of persons to return, to persuade the public through pictures and news releases that the opening was nevertheless successful.

"Seventh: Stage the 'opening' theatrically, throwing open the gates at the propitious moment and having the employees march into the plant grounds in a massed group protected by squads of armed police, so as to give to the opening a dramatic and exaggerated quality and thus heighten its demoralizing effect. Along with the 'opening' provide a spectacle—speeches, flag raising, and praises for the employees, citizens, and local authorities, so that, their vanity touched, they will feel responsible for the continued success of the scheme and will increase their efforts to induce additional employees to return to work.

"Eighth: Capitalize on the demoralization of the strikers by continuing the show of police force and the pressure of the Citizen's Committee, both to insure that those employees who have returned will continue at work and to force the remaining strikers to capitulate. If necessary, turn the locality into a warlike camp through the declaration of a state of emergency tantamount to martial law and barricade it from the outside world so that nothing may interfere with the successful conclusion of the 'Formula,' thereby driving home to the union leaders the futility of further efforts to hold their ranks intact.

"Ninth: Close the publicity barrage, which day by day during the entire period has increased the demoralization worked by all of these measures, on the theme that the plant is in full operation and that the strikers were merely a minority attempting to interfere with the 'right to work,' thus inducing the public to place a moral stamp of approval upon the above measures. With this, the campaign is over—the employer has broken the strike."[1]

[1] Remington Rand Decision. National Labor Relations Board Decisions and Orders. Vol. II, pages 664-6.

This report has been quoted at some length since the public has often failed to understand what was really happening, and in one or two instances even ministers have allowed the use of their names on the "Citizens' Committees" involved.

How to Find Out If Workers Want a Union

In some cases an employer may honestly believe that most strikers want to return to work without recognition of the union. But the only fair way to find out is to allow them to vote on the subject under government-supervised elections and without coercion by either side. In 1937, the Jones & Laughlin Steel Corporation, although apparently sure their striking workers did not wish to join the union, consented to such an election. The employees voted seventeen thousand to seven thousand to join the Steel Workers Organizing Committee, which was forthwith recognized by the Company.

Even the most sympathetic and fair employers have great difficulty in knowing what their unorganized employees really think. It is natural that workers tend to tell their employer what they think he wants to hear. Only a secret ballot conducted by a neutral agency, like a government board, can determine the real desires of workers. An illuminating description typical of many cases will be found in *The Christian Century,* January 18, 1939, *Getting Along with Eighteen Unions,* where a fair employer with fine conditions in his shop was surprised by the result of such an election. No one except the workers themselves know how they really feel about any given situation. The only way to find out is to allow them to express themselves without fear or favor from any source.

The Carnegie-Illinois and other units of the United States Steel Corporation, being convinced of the strong union sentiment among their employees, signed an agreement with the Steel Workers Organizing Committee without the necessity of a strike. In view of the fact that Republic, Inland and Youngstown Steel companies, as one of their principal reasons for refusing to deal with the union, declared that the S. W. O. C. (CIO) was irresponsible and could not be trusted to keep agreements, it is significant to note in the report of Myron C. Taylor, Chairman of the Board of Directors, to the United States Steel Corporation, in April, 1938 (after over a year's experience with union relations), the following statement:

> "The union has scrupulously followed the terms of its agreement and, in so far as I know, has made no unfair effort to bring other

employees into its ranks, while the Corporation subsidiaries, during a very difficult period, have been entirely free of labor disturbance of any kind. The cost of a strike—to the Corporation, to the public and to the men—would have been incalculable."

This confirmed the prediction made in a public statement by 100 ministers during the "little steel" strike that the union could be relied upon to keep its contracts. The statement urged the settlement of the strike by signed agreements with the union.[2]

Strike Evils and How to Prevent Them

Prolonged strikes of any type, accompanied by violence on both sides, leaving behind them divisions, bitterness and misunderstandings in the communities involved, present a black picture in which employers, labor, public officials, leading citizens, the police force and an uninformed and selfish public are often equally guilty. There is no point in dwelling further upon this picture. The point is that strikes by labor and lockouts by employers can largely be avoided if enlightened attitudes are developed.

Industry-wide Agreements

It is indeed encouraging to note statements like that made by R. D. Lapham, Chairman of the Industrial Association of San Francisco, in which he advocates employers organizing industry-wide associations not to "break unions" but for industry-wide union agreements, honestly trying to establish better relations between employer and employee. He added: "I believe that the principle of collective bargaining has come to stay, and that employers must be farsighted enough and flexible enough to adjust themselves to changed and changing conditions."[3] Where such industry-wide union agreements between practically all employers and all workers obtain, as in the clothing industries, coal, railroads and other industries in America, and quite generally in Great Britain, more stabilization is possible and fewer strikes occur.

Such industry-wide union agreements are of distinct assistance in stabilizing industry. One of the major problems of management is how, without violation of anti-trust laws, to stabilize general conditions of fair competition. Wages constitute one of the major items in costs of production. Industry-wide union agreements are a legal and effective

[2] See Biennial Report, 1937-8, Industrial Division, Federal Council of the Churches of Christ in America, 297 Fourth Avenue, New York.

[3] *New York Times* of Aug. 31, 1938.

method of stabilizing general wage scales and removing this problem from the list of "competitive worries" of industrial management. Under such industry-wide agreements employers desiring, as most employers do, to maintain good wages and conditions find the unions an invaluable means of preventing "chiseling" by unscrupulous employers who would otherwise continually cut wages and compete unfairly against good employers.

In connection with this service by unions one is reminded humorously of Dr. Parkhurst's remark that the verse of the Psalm should be amended to read, "The wicked fleeth when no man pursueth—but he maketh better time when some one is after him."

As a matter of fact, labor unions, where they are effective on an industry-wide basis, save the taxpayers enormous sums of money. For if subnormal labor conditions continue long enough the demand arises that state and federal governments regulate industries. The machinery of such government administration and the large number of government inspectors required is a heavy, though justifiable, expense to taxpayers. Such government regulations are not needed in industries where unions are thoroughly organized. The unions police the industry more effectively than the government can do it—and the union members themselves gladly pay the bill.

Industry-wide agreements of employers' associations and unions also eliminate the uncomfortable practice of unions which often, in effect, penalize their friends, demanding higher wages from friendly employers and cooperatives in order to use these higher rates as a leverage on other employers. This practice, however, puts the friendly employer at a disadvantage with his competitors.

Where industry-wide contracts do not obtain, especially when only certain geographical areas are unionized, intelligently led unions modify their demands in order to allow union shops to stay in business until the rest of the industry can be organized. Unfortunately, unions are not always intelligent enough to adopt this policy.

Union Policy to Avoid Strikes

It is erroneous to believe that "strikes are the chief business of labor unions." Ordinarily a large-scale strike is the last thing which an established union desires, if it can gain proper recognition and reasonably fair terms by any other possible means. Labor knows too well the losses, hardships, and heartaches involved in strikes. It has often seen its leaders railroaded to jail for long terms, whether guilty or not, while

crimes committed against the strikers have gone unpunished. Reference is made here to leaders so penalized because of their legitimate strike activities. Labor representatives sent to prison for racketeering, graft and violence come under a different catagory and will be referred to later under the section on racketeering. Too often, prominent leaders of unsuccessful strikes have been blacklisted so that they were unable to secure jobs of any kind for years. Labor has too often had to bury its dead—shot down on the picket lines. Among labor's martyrs have been some of the finest flower of American citizens, men personally known by the writer, who had the unselfishness, courage and idealism to lead strikes when no other remedy was possible under oppressive conditions in Southern textiles, in the coal fields of Colorado, among the sharecroppers in Arkansas and other states, among migrant laborers in California, and in other industries and sections of the country.

Progressive Employers

There have been some happy illustrations of broad statesmanship on the part of employers which have resulted in equally gratifying reactions on the part of labor unions. In the midst of a bitter strike in the coal fields, Miss Josephine Roche, President of the Rocky Mountain Fuel Company, voluntarily announced that her company would be glad to have its workers organize. Her employees thereupon joined the United Mine Workers of America. Miss Roche testifies that from the first day she has had only cooperation and help from the union. At one time when the company was hard pressed financially, these members of the United Mine Workers volunteered to waive one-half of their wages for ten weeks, to assist in the crisis of the business. If it had been necessary, they declared, they would dig coal on bare subsistence rations as long as need be to help out. As one employment manager remarked: "You'll be surprised how reasonable unions can be, when you surprise them by being reasonable yourself." A similar remark may well be addressed to union officials with reference to their relations with employers.

B. Seebohn Rowntree, Chairman of the Board of the Rowntree Chocolate Company, Ltd., of England, a Quaker employer of long experience in labor union relations, declared, in a recent address in America:

> "The labor unrest in this country and in Britain arises from a belief held, with ever increasing conviction, that the human and economic relations in the field of industry are not based on justice.

No civilization, indeed, no part of a nation's life, which is not based on justice will endure. Sooner or later, when men feel themselves unjustly dealt with, they will fight—they are fighting now. What are we going to do about it?

"First, what are we going to do about the Trade Unions? A great deal depends on our attitude to them. In England, until a comparatively short time ago, we sought to keep them at arm's length, and if forced to deal with them we did so in a grudging and antagonistic spirit, with the result that the Union leaders found themselves compelled to fight the employers ruthlessly. Gradually, however, the relationship was changed. Today an employer who refuses to recognize the right of an outside Union to negotiate matters affecting his workers would be regarded as a curious relic of the past; rather like a pterodactyl or ichthosaurus! And in consequence of this changed attitude there is an ever growing spirit of cooperation between the Unions and the employers, to the great benefit of industry.

"Of course, employers who conduct their enterprises solely with the object of making the greatest possible profits for shareholders, regardless of the welfare of the workers, will find that the Trade Unions will oppose them with all their power. And this is as it should be, for believe me, there will be no lasting peace in industry until it is based on justice, and employers who refuse so to conduct their own concerns need to be manhandled, for they are a peril to the community.

"If time permitted, I could give instance after instance from personal experience of the cooperative spirit shown by the Trade Unions. If I had a dispute with labor, I would far rather settle it with a Trade Union official than with our own workers direct. They are used to negotiating, and if, upon examination, they find that I have made out my case, they are not afraid to admit it."[4]

Herbert Morrison, Labor Member of Parliament, after describing the enormous growth of trade unionism in Great Britain, says:

"Has all this extension of trade union power, status and influence increased or decreased industrial strife? Without question it has decreased industrial strife. The steady contact between organized em-

[4] Mr. Rowntree's entire address on "Christianity and Industrial Relations" may be secured from the Department of Christian Social Service, Protestant Episcopal Church, 281 Fourth Avenue, New York. $2.50 per 100.

ployers and organized labor has facilitated peaceful settlements. It has avoided countless strikes and lockouts; it has saved thousands of millions of working days; it has avoided the loss of thousands of millions of pounds to industry and labor; it has secured greater legislative and social protection for industrial labor, which has been valuable to fair employers and to the community as a whole as well as labor itself."[5]

Questions for Discussion

1. Is the public always an innocent victim?
2. Are there more strikes where there are unions, or where there are no unions? Why?
3. What are the chief causes of strikes? At what periods in the business cycle do they occur most frequently?
4. Do union leaders want as many strikes as possible or do they seek to avoid strikes? Is the "right to work" or the "right to strike" the real issue—or the right to work under the safeguards of collective bargaining?
5. What are the chief causes of violence during strikes? Are any strikes conducted without violence by either side?
6. How can strikes be prevented?

[5] *New York Times Magazine*, July 31, 1938.

Chapter VI

ARE LABOR UNIONS RESPONSIBLE ORGANIZATIONS?

Under this heading we shall discuss the keeping of contracts with employers by labor unions, the problem of graft and racketeering, the suggestion that labor unions should be incorporated, and other proposed remedies for irresponsibility where it exists.

I.

Keeping of Agreements

The charge is often made that unions are irresponsible and cannot be trusted to keep their agreements with employers. Impartial students, however, will agree that no such sweeping charge against unions is justified by the facts. With the exception of certain situations where jurisdictional disputes or racketeering exist, it can be stated that labor unions, both A. F. of L. and C. I. O., have excellent records of abiding by the terms of their contracts. Unions have at times violated their contracts, but their record is probably as good as that of the employers who have also at times violated their agreements with unions. As an illustration, following the "Jacksonville Agreement" in 1924, with the United Mine Workers of America, because of a difficult economic situation, there was a general repudiation of contracts or subterfuges to escape the terms of the agreements by northern coal operators,[1] including companies owned by some of America's most prominent families. As a rule, however, employers, the A. F. of L. and the C. I. O. unions have lived up to their agreements.

A recent and much publicised exception to this rule was the case of the United Automobile Workers' of America, a newly formed C. I. O. union, which, for some time after signing contracts with employers, continued to indulge in sporadic sit-down strikes contrary to its agreements. In this connection, however, it should be recalled that this enormous union (381,200 members) was very rapidly organized, and that it takes time to educate and discipline such a large number of new union members to abide by union rules and to take up their grievances

[1] The Coal Strike in Western Pennsylvania (1927), Department of Research and Education, Federal Council of the Churches of Christ in America, New York.

through the machinery provided in the contract. It must be remembered, also, that thousands of foremen and superintendents, who have been trained all their lives to oppose unions, do not quickly change their patterns of behaviour. They also have to learn to deal through union machinery and to avoid unnecessarily provocative attitudes which may cause flare-ups. Other aspects of the history of the auto union have already been briefly referred to.

Labor history shows, however, that while early days of a new organization may be chaotic, it is ordinarily possible for even a large new union in time to educate and discipline its members so that they abide by the terms of their agreements. The examples may be cited of the Amalgamated Clothing Workers and the International Ladies Garment Workers which, when first organized some thirty years ago, had trouble for some time with the continued use of unauthorized "stoppages" by members. They were, however, able to overcome this difficulty so that for many years now all grievances have been taken up through the regular grievance machinery and the impartial chairmen without any interference with production. Difficulties characterized the early relations of all the older unions.[2] They have gradually settled down into the orderly procedures and faithfulness in keeping their agreements which are representative of both A. F. of L. and C. I. O. unions in most industries.

Early Adjustments the Hardest

It is not surprising, however, that during times of union expansion, when employers and workers for the first time find themselves in organized relationships, there is a more or less protracted period of irritation and painful adjustment. This is particularly true when employers have recognized unions grudgingly and only because of economic or legal pressure. When employers, as has been the case in most industries, have fought to the last ditch against unionization, it takes time to resolve the bitter antagonisms which have been built up. When, on the other hand, employers accept cordially the principle of unionization, even the early stages of union relations can be harmonious. The case of the relations of the United States Steel Corporation and the Steel Workers Organizing Committee is an outstanding example of the latter. Similar constructive results have been obtained by other employers like "Golden Rule Nash" of Cincinnati, Miss Josephine Roche of the Rocky Mountain Fuel Company, and others, who met the unions more

[2] See *American Labor* by Herbert Harris, New Haven, Yale University Press, 1939.

than halfway when organization drives began and, as a result, turned the spirit of antagonism into one of cordial cooperation on the part of union officials and members. A wise employer can in this way save himself months of strife and inefficiency in the plant if he has the intelligence to do so.

In many cases where new unions are involved one needs to make allowance not only for inexperience of management in dealing with organized labor, but also for the inexperience of the union members and officers. It is not to be wondered at, however exasperating it may be, that labor representatives suddenly thrust forward from the ranks of industrial employees, burdened with new responsibilities, still frantically busy with organization drives in other plants, often fail to give adequate and businesslike attention to prompt and proper adjustments of conditions in signed-up shops. An appeal to higher union officials will often help to straighten out petty irritations and secure businesslike attention. This may sometimes be accomplished informally through the good offices of a friendly third party in order not to embarrass direct relations with local union officers. Under such conditions management needs great patience and the perspective of a knowledge of labor union history. For when established relations with a union are no longer in dispute, history shows that the machinery of adjustment begins to function, that agreements can be relied on, and that generally satisfactory relations become the order of the day. During the early stages of union relations a spirit of tolerance and patience on both sides will smooth the way and hasten the process of understanding and fair dealing.

II.

Graft and Racketeering

In a real sense, labor racketeering is not a labor union problem as such but rather a segment of the general problem of racketeering in American civic, political and business life. Nor is racketeering prevalent in the labor union movement as a whole. It has been confined chiefly to various building crafts, trucking and service trades in a few of our large cities.

The rank and file of labor union members are just as honest as any other class in society. They have been victims of rather than conscious participants in the corruption of certain union officials. Nor is dishonesty among union leaders apparently as high as it has been in business life. The revelations of dishonesty in high places in the last few

years in banking, investment trusts, mortgage companies, public utilities, the courts, a wholesale drug concern, and other business circles indicate the existence of so many glass houses that few economic groups are in a position to throw stones. However, the development of so-called "labor rackets" demands the grave attention of the labor movement itself and of the public.

Impartial Study of Rackets

One of the best and most impartial studies of this subject has been made by a Committee of the City Club of New York which has for many years held a high reputation for its contributions to honesty in civic affairs.[3] Major rackets outlined in the appendix of this report include rackets in the building trades, motion picture operators, painters, iron workers, teamsters, live poultry, fish and fur markets, trucking in connection with butter and eggs and flour, and the restaurant or cafeteria rackets. Harold Seidman in *Labor Czars—A History of Labor Racketeering,* Liveright Publishing Corporation, New York, gives further details on most of these rackets and describes in addition the racket conducted through local 3 of the International Brotherhood of Electrical Workers and the employers (page 127), and gangsterism in the early days of the New York clothing trades.

The City Club report points out that racketeering in connection with labor unions "is in no sense peculiar to labor unions" but a part of the general problem of racketeering in various areas of economic, political and business life. It describes the problem as follows:

> "'Labor racketeering' consists in essence of the use of a labor union by racketeers to exact payments to the racketeers from the employer, from members of the union, or from both. The racketeer may himself be a union official or he may operate from without the union either through his agents or through the exercise of coercion upon intimidated union officers. The labor racketeer is often enabled to maintain his dominant position through cooperation, passive or even active, on the part of the employer, whose inertia to the existence of a racket may be partially explained by the fact that the cost of the racket is usually passed on to the consumer, or to an-

[3] Report on Certain Aspects of Labor Union Responsibility and Control—The City Club of New York—Committee on Legislation—Subcommittee on Labor Unions, June 28, 1937. (This sub-committee was composed of impartial students of the subject with a lawyer as chairman.) See also *Harpers Magazine,* March, 1939, for interesting description of labor racketeering in Seattle, Washington, by George R. Leighton.

other branch of the industry, rather than borne by the employer himself. A further explanation may be found in the fact that the employer may actually profit by the racket. Thus, the employer may find it profitable to make periodic payments to a union officer in order to avoid compliance with a union rule, such as payment for overtime, or a requirement that members of the union shall not work with, or on the products of, non-union labor. Or the employer may believe that the improvement of working conditions which may follow upon effective collective bargaining will cost him more than the labor racket.

"Again, the employer may take advantage of the racket to drive a competitor out of business or to maintain prices in connection with certain types of so-called trade associations. . . . An effective instrument for such coercion is found in the labor racketeer, who directs threats of labor trouble against those who might otherwise be unwilling to join or maintain membership in the trade association and who may eventually obtain influence not only in the association itself but also in other branches of the trade or industry in which the association functions.

"Variations in the labor racket occur under varying conditions but the fundamental technique remains the same; upon analysis most labor rackets are found to be surprisingly similar.

"The labor racketeer sometimes obtains such power that he is able to create an unnecessary type of work from which he obtains income. For example, an indictment against racketeers in a local of the teamsters' union charges that these racketeers through their control of trucking forced upon the dairy industry a duplication in terminal operations, resulting in a $300,000 annual increase in handling costs.

"Through his dominance of the industry, the racketeer may even set up an independent business servicing the industry, patronage of which is required of employers wishing to avoid labor trouble. An outstanding example is a case in New Jersey in which a racketeer compelled contractors to patronize his construction-bonding business. Another instance is that of a racketeer in control of a motion picture operators' union who forced theatre-owners to purchase supplies from him." (pp. 7 and 8)

Sometimes through collusion with dishonest labor leaders, the public is forced to buy from one or more business concerns owned by the

political boss of the city. A minister in a mid-western city recently described such a situation. He was building a new church and using union labor. A strike was called without any labor grievances. The strike was immediately called off when the church, which had been purchasing cement elsewhere, ordered its supplies from local cement mills owned by the notorious political boss of the city.

The City Club report continues:

> "While the membership of a union dominated by a racketeer may on the whole be better off by reason of improved conditions than in the absence of any union, the membership also suffers from labor racketeering. Exploitation of union members by the racketeer takes the form of the 'sell out,' most commonly in the form of agreements unduly favorable to the employer, the 'kick-back,' through requiring union members to return part of their wages to the employer or to union officers, the exaction of excessive dues, discrimination in union privileges or in the distribution of work, waiver of union rules or contract provisions, payment of excessive salaries to union officials or diversion or embezzlement of union funds. The racketeer-controlled union may also be used as a device to combat legitimate union activity.
>
> "While the employer may in the first instance pay the cost of a racket, that cost, like the cost of any other anti-social activity, is ultimately borne by the public in the form of increased prices and industrial strife. Some employers, such as small retailers, may suffer through being unable to pass on the racket cost, but, as we have pointed out, employers may obtain benefits from the labor racket through the maintenance of the price level and the elimination of effective collective bargaining. It is an interesting commentary upon the relationship that sometimes exists between the employer and the labor racketeer that the head of an employers' association in a notoriously racket-ridden industry is reported to have asked that one of the principal convicted defendants be paroled in his custody pending an appeal. And in the recent trial of restaurant racketeers, it was brought out that substantial contributions to their defense fund were made by restaurant owners." (pp. 8 and 9)

In order to keep control of the union, corrupt labor leaders use "strong arm squads" to beat up or eject from union meetings members of their own unions who challenge their leadership, protest their policies, or demand an accounting of union funds. They may also expel

protesting union members and in some cases international unions have supported the racketeering officials.[4] When a rival group of gangsters attempts to "muscle in" and take control, there are shootings and murders as in other areas of the gangster world.

Seidman, in his book, *Labor Czars,* feels that the relatively stronger idealism of industrial unions and their wider democratic objectives largely account for their lack of racketeering. He contrasts this idealism to the "business psychology" of some older craft union leaders who look upon unions as "a business" to secure benefits for workers and for the collection of dues for the union.

It may be also that another factor helps to account for the situation. There is more opportunity for craft and service unions, operating within the limits of a city market, to enter into collusion with employers. Such employers have more control over prices in their market and are therefore able to pay labor graft while making extra profits for themselves.

Remedies for Racketeering

(a) Political Reform

Racketeering depends upon public indifference or upon active support of corrupt political officials. One of the most effective remedies is through political reform and consequent vigorous prosecution of racketeers by the District Attorney as illustrated in the remarkable progress being made in New York by District Attorney Dewey. It is a hopeful sign that Mr. Dewey was nominated and elected with the vigorous support of the American Labor Party. When a city is wholly in the control of a corrupt political machine, investigation and reform may be started by the state, as was the case in New York under the Seabury investigation. The present Governor of Missouri is pressing such reform in Kansas City. Sometimes the federal authorities can help greatly through federal investigation of income tax evasion by political bosses and other infringements of federal law, as is being done at the present writing in Kansas City, Missouri, Louisiana, and other places.

The City Club report discusses many other possible remedies including incorporation of unions, concerning which it concludes that: "It could place no serious obstacle in the path of racketeering; on the contrary, paper corporations and dummy officers might easily lend themselves to the extension of racketeering activity." Its conclusions are quoted in part below:

[4] *Labor Czars—A History of Labor Racketeering.* By Harold Seidman. pp. 156, 159-60, and in other chapters.

"To treat the problem of 'labor racketeering' as a problem peculiar to labor is fundamentally to misconceive the nature of the crime. Racketeering, according to a definition approved by Thomas E. Dewey, is 'the systematic extortion of money or property by the use of force or fear from the various members of a legitimate or illegitimate industry.' This definition applies with equal force to all forms of racketeering, including racketeering exposed in connection with labor unions.

"Nor is racketeering in any proper sense typical of the labor movement. On the contrary, it is merely an invasion of that movement by a relatively negligible element. It is only in a few large cities that one hears of racketeers.

"Moreover, racketeering by and large has been and is being eradicated. The number of prosecutions and convictions are impressive. Indeed, there appears to be a tendency to exaggerate the problem in order to lend weight to proposals for union regulation." (p. 12)

(b) Strengthen Law Enforcement

The report goes on to say that:

"This is not to say that no problem exists. But that problem is not one of remedies, which are ample; it is one of enforcement." To meet the problem, the Subcommittee proposes that it be made a "penal offense for any one, whether a union member or an employer, to fail to report the existence of a racket" with appropriate safeguards for the protection of persons whose failure to act may be justified because of intimidation. It points out also that eradication of racketeering from a union is most effective when it comes from the members of the union itself, citing successful efforts of certain unions. The great majority of union members are honest. The chief problem is that of assuring democratic control within the union itself. Sometimes a committee composed of citizens whose friendliness toward organized labor is beyond question can help to give publicity to a racketeering situation in a union. This cooperation strengthens the hands of union members who are known to be working within the union to remedy such conditions.

(c) Democratic Control of Unions

The key to democratic control of a union by its rank and file members lies principally in the free elections of its officers and of its delegates to conventions. Autocratic control of unions by domineering or corrupt

officials is often made possible by "postponement" of national conventions, sometimes for several years.[5] This gives no opportunity to the membership to elect new national officials. Unless both local and national officials are freely chosen at stated intervals, even the right of members to appeal grievances from a local to the international and to the convention is of little avail. Entrenched officials by control of "credentials committees" at national conventions may also refuse on technicalities to seat hostile delegates, and may assure their own re-election through "packing." Some constitutions and by-laws also may give certain officers the power of appointing others. This power is sometimes abused. The City Club report states:

> "Theoretically, the constitutional provisions permitting to aggrieved union members a hearing are thoroughly adequate. In practice, however, the appeal provisions have proved inadequate because the officers against whom the complaint is directed frequently dominate the board to which the complaint is made, and the responsible officers of the national body fail to take impartial action.
>
> "Moreover, the membership often does not avail itself of intra-union machinery because of apathy or because of a realization, not only of the difficulty of invoking this machinery, but also that aggressive union members, if unsuccessful, may be punished by expulsion from the union, or by the arbitrary imposition of fines or penalties." (p. 16)

(d) Democratic Elections in Unions

For these reasons the City Club report recommends the passage of appropriate laws to:

> "facilitate and encourage union members to elect officers of integrity truly representative of the union. Such legislation, however, should be so drafted that it could not be construed to authorize interference with intra-union policies, which are properly for the determination of the membership itself. Legislation of this character, if so drafted, would not subject the union to governmental regulation in the sense of the proposals discussed in connection with racketeering, but should require self-disciplinary measures upon the part of the union itself. To these ends, the Subcommittee makes the following proposals:

[5] See *American Labor* by Herbert Harris, New Haven, Yale University Press, 1939, p. 165.

"ANNUAL ELECTIONS. *Laws applicable to unions,* such as the General Associations Law in New York, which applies to all voluntary unincorporated associations including unions, *should be amended or other appropriate legislation enacted to require an election, by secret ballot, at a convention or otherwise, at least once a year of all officers of a union,* whether local, or national or international, and including delegates. No officer should be deemed elected without the affirmative vote, in person or by proxy, of at least a majority of a quorum of the membership, consisting of a majority of all members. It should be made the duty of the union's president and vice-presidents to call the elections required by law, upon prescribed notice to all members, stating, among other things, the salaries attaching to the respective offices to be filled, and failure to do so should be made an offense, punishment of which should be an appropriate fine payable to the union, enforceable at the instance of any union members."

(e) Appeal to Impartial Board

The report recommends that in case any question arises in connection with an election, the power to pass upon it should rest with an impartial body such as a State or National Labor Relations Board which, if called upon to do so, would "certify whether or not an officer actually represents his union by virtue of an election, just as at present it certifies whether a union actually represents a majority of employees for the purpose of collective bargaining". The report rules out government supervision of all union elections because in its opinion "the problem is not sufficiently serious or widespread to warrant so drastic a regulation and that in any event the cost of supervising thousands of elections throughout the United States would be prohibitive."

(f) Majority Approval of Expulsions of Union Members

The report suggests also that:

"a statutory prohibition should be enacted against the expulsion or suspension of a member of a labor union, whether for failure to pay a fine or for other reasons, except after a majority vote of the membership at a meeting called for the purpose. There should likewise be a statutory inhibition against the expulsion of a local union from a national or international union or from a national body, without a majority vote at a convention."

(g) Financial Reports of Unions

"Laws applicable to unions should be amended or other appropriate legislation enacted to provide that every association subject to that law must furnish its members with annual financial statements with such detail as may be requested if a majority of the membership so vote. Failure to render such statements should render the responsible officers subject to removal and to a fine payable to the union."

III.

Should Unions Be Incorporated?

Our discussion of whether unions keep their agreements, and of the evils of racketeering with suggested remedies, has already covered many of the points usually raised in connection with the demand that unions should be required to incorporate. However, further questions remain to be discussed in this specific connection. Since the legal status of most unions in America is that of voluntary unincorporated associations, it is charged that this status renders their funds practically immune from liability for breach of contract. This, however, is not the case.

Unincorporated Unions Can Be Sued

In most states "unions in appropriate cases can now be sued through service upon their officers and their funds subjected to liability and in jurisdictions in which such suits cannot now be maintained legislation should be enacted to authorize such suits. While it is always difficult to establish liability of a principal for the torts of his agents, and properly so, no sufficient reason appears why it should be simpler to establish such liability in the case of unions than in the case of other organizations."[6]

Unincorporated Unions Can Be Enjoined

In addition, unions are subject to injunction proceedings to prohibit unlawful acts such as "violence, coercion or fraud, but also to ban acts

[6] City Club report which cites cases including *United Mine Workers v. Coronado,* 259 U. S. 344; Supreme Court and the Danbury Hatters case—*Loewe v. Lawler,* 235 U. S. 522.

In the Apex decision, May 27, 1940, the Supreme Court ruled that the union in that case was not liable for damages under the federal anti-trust law because there had been no intent by the union to restrain interstate commerce. However, the Court ruled that the provisions of the anti-trust act "do embrace to some extent and in some circumstances labor unions and their activities." Furthermore, the Court said that the union had violated the laws of Pennsylvania where it could be compelled to answer for damages in the state courts. See *New York Times,* May 28, 1940.

not intrinsically unlawful such as strikes, boycotts and picketing. No complaint has been made that a union or its officers or members are not amenable to a decree in equity for an injunction. On the contrary, the abuse of the labor injunction has led to statutory regulation of its issuance and of the method in which disobedience of its terms may be punished. So-called anti-injunction statutes recently enacted by Congress and by a number of states, including New York, prescribe prerequisites to the issuance of an injunction and accord legal immunity to peaceful picketing in certain types of disputes. These statutes, however, do not apply to unlawful acts involving violence or breach of the peace or to acts involving a breach of contract, and such acts may still be enjoined."[7]

Compulsory Incorporation Not Desirable

It is a little surprising that many advocates, especially among business men, of the incorporation of unions "in order to make them responsible and liable for their acts" overlook the fact that incorporation is a privilege granted by the state to those who wish to *limit* their personal liability in a business venture.

> "To apply the corporate principle to labor unions in order to increase the liability of their members, even if it could accomplish this purpose, would represent a manifest perversion of the theory of incorporation. This has been recognized by Mr. Walter Gordon Merritt, counsel for the Realty Advisory Board of New York, who is an outspoken sponsor of legislation for the regulation of labor unions. That Mr. Merritt is opposed to compulsory incorporation is significant since he was counsel for the employers in the *Danbury Hatters* case and also filed a brief *amicus curiae* against the union in the *Coronado* case."[8]

The primary reason for labor union spokesmen's objection to the incorporation of unions is that it would open the way for hostile employers to take unfair advantages of unions. This is a very real danger since it is so easy for an employer to hire a labor spy as an employee who can join the union and purposely make trouble for which the union could then too readily be made responsible.

Experience in Great Britain and Scandinavia

As the report of the President's Commission on Studies of Industrial Relations in Great Britain shows, labor unions "cannot be incorporated"

[7] Ibid., p. 20.
[8] Ibid., p. 22.

but *voluntary* registration of trade unions is provided for by law, also voluntary certification in lieu of registration.

Marquis Childs, in his book *This Is Democracy,* reports that trade unions in Scandinavian countries "are not incorporated or registered in any way. But there has never been any real question about their responsibility under the law."

Mr. B. Seebohn Rowntree, one of the prominent employers of Great Britain, in the address already quoted, comments on the great interest in America in the incorporation of unions and what laws should be enacted to deal with picketing and remarks: "I do not, of course, deny that it is desirable to decide these questions wisely, but they are of secondary importance. A wise employer will not trouble too much about them. He will rather ask: 'Now, what's all the trouble about?' And when he seriously inquires into this, he will find that the workers have quite a lot of legitimate grievances, and the whole community suffers from the industrial unrest to which they give rise. Surely it is wiser to attack these grievances than to spend time and effort in perfecting what are, after all, the methods and tactics of warfare."

City Club Recommendations

(a) Incorporation Not Needed

We have quoted at some length from the report of the Subcommittee of the City Club because it seems to us one of the most objective, impartial, and realistic studies which have been made. For the same reason, we note, in conclusion, its recommendations. It believes for reasons stated in previous pages that no serious problem has been shown to exist which would warrant legislation such as compulsory incorporation or registration to increase union liability for torts or breach of contract. It believes, however, that in addition to legal remedies suggested under the foregoing section on racketeering, two other safeguards should be enacted into law.

(b) Democratic Approval of Union Agreements

"It would be desirable," the report declares, "to have every long-term agreement submitted for the approval of union members expected to fulfill that agreement. Moreover, a requirement that collective bargaining agreements be approved would tend to promote democratic control, to prevent sell-outs by racketeers, and to discourage their calling of strikes to obtain graft. The Subcommittee therefore recommends that

trade union agreements for more than a year, to be enforceable, must be authorized or ratified by the union sought to be bound." As a matter of fact, this is already common practice in many unions.

(c) Employers Required to Verify Credentials of Union Representatives

The City Club Subcommittee also believes that employers should be made responsible for dealing only with union officials who have been legally authorized to represent the union, just as it is the responsibility of a person negotiating a contract with a business corporation to make sure that the officer representing the corporation has been vested with proper authority by the Board of Directors. "If the employer would squarely meet this responsibility through the refusal to recognize officers not representative of the union, he would encourage democratic control and at the same time would assist in the elimination of racketeering."

Questions for Discussion

1. Do unions keep their agreements?
2. Would incorporation make them more or less responsible?
3. Why do responsible labor leaders oppose incorporation?
4. What is labor racketeering—are employers and city officials usually involved as well as labor? What types of unions have been affected?
5. What are the principal remedies for racketeering?

Chapter VII

UNION-MANAGEMENT COOPERATION FOR EFFICIENCY

While it has been necessary in the interest of presenting a candid description of American labor unionism to devote part of the foregoing chapter to serious evils which have developed in certain unions, it must be said again that these corrupt conditions are not characteristic of the movement as a whole. On the contrary, in many industries which have been organized over a long period of years, it has been demonstrated that it is possible for organized employers and organized employees to maintain harmonious relations with honesty and integrity on both sides, and to adjust their differences through joint conciliation without recourse to strikes and lockouts. This has been true of both American Federation of Labor unions and of the unions affiliated with the Congress of Industrial Organizations. One reason for the public's ignorance of this fact is that the press does not consider it "news" when people get along nicely together. The newspapers feature strikes, dishonesty and upheavals in industrial relations rather than the much more significant daily round of peaceful but "unexciting" labor relations. Similarly, if we were to judge married life from the newspapers, we should come to the conclusion that it is a complete failure. It is most often considered "news" when a husband beats his wife over the head or she seeks a divorce.

Furthermore, there are significant illustrations in unions affiliated with both groups of the positive role which a union can play in stabilizing industrial relations, increasing efficiency in the plant, and offering constructive cooperation to an employer in the successful conduct of his business. This is quite the opposite from the collusive conspiracy of racketeering unions with employers, although some writers have uncritically described both under the term of "class collaboration."

We cite below a number of such cases of union-management cooperation to illustrate what can be done when both unions and employers apply their brains and energy to creating mutually beneficial relations rather than in fighting each other.

Baltimore and Ohio Shop Crafts

In 1924, following a strike, President Daniel Willard of the Baltimore and Ohio Railroad and the Shop Crafts Organization (comprising AFL shop crafts unions), under the constructive leadership of W. W. Johnston, then President of the International Machinists Union, entered into an agreement, not only making the usual specifications as to wages, hours and settlement of grievances, but definitely proposing cooperation to increase efficiency in the shops. This general plan was later extended to include the operating departments of the B & O Railroad. It was also adopted by the Chicago and Northwestern Railroad and others.[1] A consulting engineer, Otto S. Beyer, Jr., was engaged by the unions to assist in working out the plan. Joint Cooperative Committees were set up for each district, also a System Cooperative Committee, each composed of representatives of the unions and of the management, to discuss at regular meetings suggestions for economy and efficiency of shop operation in a "spirit of mutual helpfulness and not one of criticism or fault finding." Subjects discussed at these meetings have included "storage and care of materials, tool equipment, machine operation and crane service, scheduling of work through the shops, classification and handling of freight and passenger car repairs, methods of repair work, handling and disposition of scrap, inspection of scrap and reclamation of usable material, conditions of shops and grounds." All suggestions were thoroughly discussed, those considered impractical eliminated and recommendations finally made to the management. A letter from James S. Murray, Vice President, Baltimore and Ohio Railroad Company, dated July 22, 1938, summarizes the results of the plan.

Motive Power Department

Summary of Suggestions received and discussed at Cooperative Committee Meetings, March 5, 1924, to April 6, 1938.

Men present representing Management	47,168
Men present representing Employees	55,735
Total number men present	102,903
Avg. attendance at meetings	10
Suggestions Rec'd and discussed	29,658
Suggestions adopted	25,615
Percent adopted to Total proposed	86.4

[1] See *Union Management Cooperation on the Railroads,* by L. H. Wood. Yale University Press, 1931.

Still under consideration	114
Postponed, expense not justified	1,119
Dropped, considered impractical	2,810

After the plan had begun to show results, President Willard expressed gratification and pointed out the improved morale of employees who are allowed systematically to share in the responsibilities of efficient operation. Such an arrangement, he said, "emphasizes to each man the importance of the work which he himself is doing, and the responsibility which goes with his job or position, and which rests upon him personally to do good work, to do honest and dependable work, not just because it is his duty as an honest man to give good work in return for good wages paid in good money, but because, realizing the responsibility which he shares with the management for the safe and proper operation of the railroad, he *wants* to do good work."

Clothing Workers

The Amalgamated Clothing Workers of America, affiliated with the Congress of Industrial Organizations, has long enjoyed a good name for the fair adjustment of disputes through machinery of conciliation and arbitration jointly maintained with employers' associations. In addition to the usual union methods of adjustment of grievances, the Amalgamated sets up jointly with the employers' association a sort of informal court with an Impartial Chairman, or judge, who is jointly chosen by the union and employers, and one-half of whose annual salary is paid by each group. Disputes which cannot be otherwise settled are argued before the Impartial Chairman and his decisions are accepted by both sides. The International Ladies Garment Workers and some other unions utilize similar standing machinery with great success.

The Amalgamated and the International Ladies Garment Workers have both, in addition, earned a reputation for helping manufacturers to reduce costs of production and increase efficiency of operation, at the same time improving working conditions and raising wages for the workers.

In order to illustrate such union-management cooperation procedures, the following incidents are cited. In 1925, after fifteen years of contractual relations with the Amalgamated, Hart, Schaffner and Marx, of Chicago, found itself faced with the difficult problem of producing a new line of suits which could compete in lower-priced markets. This would mean a radical reduction in costs of production, reorganization

of shops, introduction of labor saving machinery and lower piece-rates for workers. This company, a pioneer in constructive union relationships in the men's clothing industry, was deeply concerned over the interests of its workers and hesitated to make such drastic changes. It laid the whole problem before the Union. The Union met the Company half way, joined the management in a study of costs and reorganization proposals, cooperated in setting up an experimental shop, made concessions in long established union customs and agreed to lower general piece-rates with the expectation of so increasing production as to maintain weekly wages and provide full time work. Among other savings to the Company was the assumption by Union officials of keeping discipline among the workers and guaranteeing that they would maintain agreed-upon standards of quality. This enabled the Company to reduce its staff of quality inspectors.[2]

Similar policies adopted by the Union throughout the market brought successful results not only at Hart, Schaffner & Marx but in many companies, according to the 1928 report of the Amalgamated which states that "the savings that have been effected by this procedure have gone to raise the standards and the incomes of our members and to increase the business of unionized firms."

We quote below an extract from an article on Sidney Hillman, President of the Amalgamated Clothing Workers, which gives another illuminating illustration of the statesmanlike policies of the Union under Mr. Hillman's leadership.

> "A unique reaction for a manufacturer to get from a militant labor union was experienced by the head of the Kahn Tailoring Company of Indianapolis. After a hard struggle the Amalgamated signed up the shop. A year later Hillman received an urgent telegram from the head of the firm asking for a conference. Hillman found the sixty-four-year-old man pale and under emotional stress. 'Mr. Hillman, I wanted you to be the first to know,' he said, 'that after fifty years of uninterrupted business the Kahn Tailoring Company is liquidating. But it is not in the least the fault of the union and I will make a public statement to that effect.'
>
> "'What has happened?' Hillman asked, though he had known for some time.
>
> "'We're overextended on inventory; I owe the banks $300,000 and they refuse to extend the loan.'

[2] See article in the *New Republic,* August 7, 1929, by Thomas W. Holland, entitled, *The X Plan in the Clothing Trade.*

"'Perhaps they will,' Hillman offered, 'if you tell them that the Amalgamated will advance $100,000 to tide you over.'

"The manufacturer stared. When he told the bankers they stared too, but they extended the loan. The Kahn Tailoring Company used only $30,000 of the Amalgamated's loan and repaid it within a year.

"Hillman delights in exposing the practical considerations that underlie everything that he does. 'The Kahn Tailoring Company was the only big employer of men's garment workers in this city,' he told me. 'If it closed there would be some 900 of our union members without jobs. Also, the plant was so near Chicago that some manufacturer would find it profitable to snap it up at the sacrifice price it would bring, and by running it with non-union labor he would make it hard for Chicago manufacturers to compete with him. We had to protect our Chicago market. We had investigated the Kahn Tailoring Company's business and found it sound, and our analysis seems to have been more thorough than the judgment of the banks that almost forced the company to the wall. So, all in all, we did not lose by our loan.'"[3]

A group of church people were deeply impressed last winter in an interview with the Manager of B. Kuppenheimer & Company, in Chicago—another company having an agreement with the Amalgamated Clothing Workers—when he declared that he personally prefers to have a union because he does not have to worry any longer about labor relations, and can devote all his energies to manufacturing problems. He had learned to live with organized labor and like it! A later interview with the union organizer equally impressed the group because of his fairness and his intelligent grasp of technical as well as human problems involved in the industry.

A study by an outside industrial engineer of the A. Nash Company of Cincinnati, a year after the Company had voluntarily signed an agreement with the Amalgamated, showed that not only had labor relations been harmonious, but that the Union had helped to reduce costs and increase efficiency of operation.

Cooperation for Efficiency in Pulp and Paper Making

Some years ago, when I was personnel director in a factory, I was deeply impressed with the lowering of efficiency and effort on the part

[3] *Sidney Hillman.* By Joseph Gollomb—*Atlantic Monthly,* July, 1938.

of employees when they lacked confidence in the ability of the management—either their immediate boss, or, as one of the men put it, "the whole works." Perhaps most of us at times have had such an experience. It is almost impossible to give one's best when one feels that his superior who gives the orders is himself inefficient. "What's the use of killing ourselves," workers have said to me, "when the company wastes more money in a minute than we could save in a year?"

Sometimes bosses and higher-ups *are* inefficient, and there is no cure for that but training or readjustments in personnel, sometimes as far back as the president and the board of directors. But often workers, because they do not know all the facts, misjudge the management. "The company spends more money patching up this old machine than it would cost to buy a new one," a machinist once said to me. He did not know that the manager was well aware of the fact, and planned new machinery and layout of the whole department at the right time.

Enormous wastes occur in American industry because of the failure of management to take workers into their confidence on problems of operation. No amount of supervision, orders, or driving men in speed-up programs is as effective in the long run as appealing to their intelligence and to the creative instinct which is a part of the human equipment that distinguishes men from animals. A striking illustration of the improved morale and increase in efficiency which can be obtained by an intelligent plan is to be found in the Pulp Division of the Weyerhaeuser Timber Company, Longview, Washington. This company has a signed agreement with the International Brotherhood of Pulp, Sulphite and Paper Mill Workers, affiliated with the American Federation of Labor, covering the usual items of wages, hours, settlement of grievances and seniority rights. In addition, Mr. Robert B. Wolf, Manager of the Pulp Division, has discovered that these union men respond with valuable suggestions for increasing efficiency and reducing costs of production. "Men will use their brains as well as their hands," says Mr. Wolf, "if management gives them the facts about the business."[4] Mr. Wolf started his career as an employer with all the anti-labor-union convictions common to many employers. The story of how he discovered he could work constructively with unions is interestingly told in his paper, "Trade Union Agreements."[5]

The Pulp Division of the Weyerhaeuser Company uses a systematic

[4] See "Theirs to Reason Why," by James Myers, *Survey Graphic,* July, 1938.

[5] *Channels of Dealing with Workers,* American Management Association Personnel Series #27, 1937, $1.00.

plan for getting the facts before its workers and inviting suggestions from them. Thus, useful ideas often originate from the men themselves. Group meetings are held every three months, on company time, for machine and process operators in each department. Usually a group consists of ten or twelve men. At these meetings the superintendent, the technical director, and the foreman are also present. Each employee is asked directly for any suggestions to improve quality or reduce costs of manufacture. Discussion follows. Pros and cons are brought up, and constructive and practical ideas often emerge. "It is better than the old suggestion box into which men might drop their suggestions," says the manager, "because brand-new ideas often result from the mental stimulation of mutual discussion."

The management also announces, a week in advance, some special problem of operation, quality, sales, or market conditions, which will be discussed so that the group can give thought to it for some time before a meeting is held. Letters are read from company salesmen at distant points bringing their problems "right back home"—gearing to the way men run their machines and do their work in every department the very ability of the company to keep the plant running. Success means work for everyone. Because of this, no additional financial rewards are offered for suggestions that are adopted. However, in the group discussions, the men with keen interest in their work who use their brains and are alert and able naturally stand out, and when opportunities for promotion come along, they get the jobs. Progress charts are kept so that a man can watch his score from week to week. The standards are set after consultation with the men.

Minutes of all group meetings are posted in the department involved so that he who runs may read. The following incident strikingly illustrates the value of giving the workers the facts. On one occasion the results of certain laboratory experiments showing greatly improved results from a new method were charted and posted. After the men had studied the chart one of them exclaimed, "Why the devil don't we do it *that* way?" And they did. The transition to new and better methods (often a difficult matter with humans in all ranks of society) was made on the initiative of the workers themselves—*when they were given the facts.*

Seniority Rights

Seniority rights are of vital importance to workers. Basic justice demands that employees with longer terms of service be given preference

in employment during slack times and for promotion. However, too rigid rules, especially with reference to automatic promotion merely because of length of service, may result in relative freezing of efficiency. The contract of the Pulp Makers and the Weyerhaeuser Company safeguards both the seniority rights and efficiency. Seniority rights of workers are recognized, men with longest terms of service being given first preference for both work and promotion, but in the latter instance the management has the final decision. If in some case a worker with a fewer years of service is promoted over one with seniority standing, however, the latter is told where he has failed to measure up, before the successful appointee is notified of his promotion. The union may then file a brief in behalf of the senior worker, if it so desires. This gives every opportunity to bring out all the facts in the case. Thus the difficult combination of proper regard for seniority and proper regard for efficiency in the organization is solved by agreement.

One of the most recent announcements of proposed union-management cooperation through joint research and the adoption of measures to increase production and efficiency comes from the Steel Workers Organizing Committee which has issued a Handbook entitled, *Production Problems,* to its local lodges in the 529 companies under contract with the S. W. O. C.[6]

The Hormel Company Plan of Annual Wages

Believing that the hourly or daily wage system of employment of labor, which prevails in practically all industries, "is a kind of chisel, forcing the employee to take the first rap for the management's failure to maintain work," Mr. Jay C. Hormel, President of Geo. A. Hormel & Co., a meat packing house in Austin, Minn., beginning in 1931, gradually established an annual wage payment plan which now covers the company's 3,000 plant employees. Although such a radical departure from the usual wage payment plan entailed many adjustments, negotiations between the management and Local 183, of the United Packinghouse Workers' Union, affiliated with the Congress of Industrial Organizations, were carried on with patience, flexibility, and in a cooperative spirit by the Company and the Union.

The agreement calls for a basic average forty-hour week. Employees agree during rush seasons to work up to fifty-three hours a week for

[6] *New York Times,* July 10, 1938. Copies of this Handbook may be obtained from the Steel Workers' Organizing Committee, 1500 Commonwealth Building, Pittsburgh, Pa. 25 cents.

the same wage, and the Company agrees to pay the same weekly wage in slack seasons when employees work less than forty hours. Wages, hours, and working conditions, including the important matter of budgeting the amount of work to be done, are reached by negotiation and covered by agreement with the Union.

Testifying before a special Senate Committee, Mr. Hormel described graphically an incident which first set him thinking seriously about the injustice of the usual wage system.[7] During a slack season, he was obliged to lay off a worker who replied: "You can't do that to me. You can't turn me out in the street. You wouldn't turn a horse out in the street." Yet industry generally, because of the wage system, does just that with workers by the millions.

Under the weekly and annual wage plan, Mr. Hormel pointed to increased efficiency and interest in their work on the part of employees, a reduction of labor turn-over, and an assured force of skilled workers at all times. He called attention also to a large increase in the purchasing of automobiles, building of their own houses, and general welfare of workers' families because they are assured of a steady income and can plan their personal expenditures.[8]

Mr. Roy Franklin, agent for the Union, and Mr. E. E. Jacob, its President, also confirmed these results and testified as to the satisfaction of the workers with the plan. They pointed out, however, that such a plan would be a detriment to labor in a company which was not organized because it would lend itself to undue speed-up systems—through setting unreasonable work-budgets. Both Mr. Hormel and the Union representatives emphasized the value of the Union as a means of raising wage standards throughout the whole industry and as a protection to the single employer who desires to pay better wages.

The subject of an annual wage is receiving increasing attention with proposals coming from a number of companies, including the General Motors Corporation. All annual wage plans should be studied carefully with reference to (1) labor union protection for the employees, (2) actual effect on annual wages, and (3) the effect on the unemployed. Under present conditions an annual wage plan might benefit considerably the limited number of employees fortunate enough to be re-

[7] See United States Senate Special Committee to Investigate Unemployment & Relief, pages 943-57 and 987-97 for testimony of Mr. Hormel and Mr. Roy Franklin, Business Agent Local 183, United Packinghouse Workers' Union, and Mr. E. E. Jacob, its President.

[8] The Nunn-Bush Shoe Company, Milwaukee, Wisc., has an interesting plan for "Fifty-Two Pay Checks Each Year." Pamphlet describing this plan may be obtained from the Company; see also *Reader's Digest,* April, 1939.

quired, while reducing the chances of larger numbers of individuals for at least some employment during the year. The annual wage plan constitutes a most important field for study and experiment. Its successful solution (including fairness to the present unemployed) will, in the end, depend upon the solution of the wider problem of industrial expansion and permanent maintenance of production and distribution at high levels.[9]

In concluding this section on union-management cooperation, it can be said that there is ample evidence that, with the exception to the limited number of situations where racketeering or unintelligent leadership is in control, labor unions may be expected to respond to reasonable arrangements with employers for higher efficiency and economy of operation. A wider understanding of this fact would eliminate much of the fear of employers who have previously hesitated to enter into union relations.

Furthermore, cooperative relations on the part of employers with unions themselves tend to develop reasonable and intelligent labor leaders.[10] As long as industry fights against the organization of employees, it is to be expected that labor unions will feel the need of belligerent fighters as their leaders. When, on the other hand, industry enters into cooperative relations with unions and matters are settled by agreement across the table and in joint research, the very situation itself develops labor leaders who must deal with the reasonable presentation of facts and with realistic adjustments. As B. Seebohn Rowntree declared: "I can well realize that there may be a difficult time for many American employers through having to recognize the Trade Unions, but quite apart from recent legislation, sooner or later they would have had to do it, and as the Unions find that they are no longer repelled by employers, they will gradually show the same helpful and cooperative spirit as they show to good employers in Britain. The Unions will find that in the long run it pays them better to entrust their negotiations to tactful diplomats rather than to blundering bullies." This change has already taken place in wide areas of American labor unionism.

[9] For an interesting suggestion for such industrial expansion, see *Jobs for All*. By Mordecai Ezekiel. 1939. Knopf, New York. Also, *Paths to Plenty*. By Henry A. Wallace, National Home Library Foundation.

[10] Another striking illustration is described in *Getting Along With Eighteen Unions*, by Frank J. Taylor. *The Christian Century*, January 18, 1939.

Questions for Discussion

1. Why do newspapers carry chiefly stories of labor trouble? Is that a fair picture of the labor union movement as a whole?
2. What is union-management cooperation?
3. Can you give any instances where unions have helped to increase efficiency and reduce costs in factories?
4. What systematic plans have been tried to bring these results?
5. Would the security of an annual income—"52 pay checks per year" affect the morale and efficiency of workers?

Chapter VIII

PROFIT-SHARING

Labor unions, necessary as they are to assure democracy, are not enough. Some further principle which will more closely integrate the interests of workers, employers and consumers is needed if we are to advance toward still more constructive economic peace. The principle of partnership most fully meets this test. The basic principles of partnership are (1) a voice in the management; (2) a share in the ownership, risks and profits of the business; (3) knowledge of the books and of the problems of successful operation. While consumers' cooperation—more than any other economic system—embodies these basic principles of partnership, there is room for at least partial introduction of the partnership principle in all employer-employee relations.

A voice in management, at least with reference to wages and working conditions, is assured by union agreements. But in the usual employee status, even in union shops, no provision is made for the other principles of partnership. Labor does not share with employers in ownership, nor in risks, except for labor's very real risks of part-time employment, unemployment and accident hazards. Labor does not share in the profits. Neither is labor usually given information about how much money the company is making or losing, nor is it systematically informed about the difficult problems of successful management. One sometime hears the remark, "Labor and Capital are really partners —why don't they act like partners?" The answer to that is they are not partners.

Experiments embodying in varying degree the principles of partnership have been attempted for many years—principally under the name of profit-sharing or economy-sharing. While we shall not discuss this subject at length, certain principles of successful operation of profit-sharing plans may be enumerated. In the first place a labor union should be recognized and standard union wages for all employees must be paid. Otherwise the plan will fall under the suspicion—sometimes fully justified—of being a "come-on" device to get more work out of employees with lower annual wages, even including the profit-sharing payments. Second, the plan should be geared to results of the business each year rather than providing a flat "bonus." Third, the plan must

include all workers (after a period of perhaps one year's employment). Fourth, in addition to the usual union safeguards with reference to discharge and the democratic adjustment of grievances, labor must be fully informed on the financial status of the company and receive regularly its profit and loss statements. To avoid suspicion and secure full cooperation, no vital information should be withheld from labor. Fifth, a representative of labor, elected by the workers, should be seated on the Board of Directors of the company. Sixth, a publicity and education program must be carried on to keep all partners informed on the condition of the company, orders received, sales, production problems, possibilities for increased efficiency.

Various methods for the actual rates and bases of profit or economy-sharing have been used. One of the prerequisites for success is for labor itself to participate in formulation and acceptance of the plan. The *Survey Graphic* for January, 1939, describes one of the most significant profit-sharing plans—that of the Joselyn Manufacturing Co. of Chicago. It also lists other plans, including those of Proctor & Gamble and the General Electric Corporation.[1]

When profit-sharing plans are properly and fairly planned and intelligently administered, a new "partnership spirit" results. There is keener interest in work, more concern for eliminating waste, intelligent interest in problems of successful operation, and great reduction in labor turnover, employees being anxious to retain their jobs in such a concern.

Some illustrations may be cited of the effects of such a partnership plan with which the writer was associated:

> "One of the machine runners in this mill, through carelessness, spoiled many thousands of yards of cloth by 'pin cuts.' The plant paper published a letter from the Sales Manager, stating the seriousness of this loss, and saying that it might amount to a loss of as much as $6.00 apiece in profit-sharing to every one in the factory. The result was that although neither the department nor the individual was mentioned, within thirty minutes the whole factory knew about the loss, knew what room it had occurred in, and the man who was responsible, and every one was so sore that it seemed doubtful whether the operative at fault would get home alive!

[1] See also: *Profit Sharing*. By C. C. Balderston, 1937. Industrial Relations Counselors. 156 pp. $2.00. *A Way to Social Peace*. By Henry Wickham Steed. 1935. Columbia University Press. 148 pp. $1.50. *Profit-Sharing and Stock Ownership for Employees*. By Gorton James, et al. Harpers. 1926.

Here you have public opinion strongly in favor of good work in the factory. In an ordinary factory, the comment of the operatives on such a loss would have been, 'Hell! the Company is rich. Let them stand it.' But under profit-sharing every one was down on the man who had caused this common loss. An Italian in the same room with him even walked up to him and said, 'You took away $6.00 of mine. Give it back to me right now!

* * *

"A representative of the Shipping Department stated that in his department there used to be a big turnover, that they were unable to keep men to do the heavy work of loading the trucks in all weather and that new men were constantly hired. Since the plan went into effect, he remembered no changes. Formerly, also the gang used to grumble and kick when large shipments of goods came down late in the afternoon to be gotten to the station, but that now the bigger the shipments the better they liked it, as they all say 'business must be good and there will be profits for us all at the end of the month.'

* * *

"On another occasion, the engineer of the Company tug was coming home late in the evening. This engineer is on a salary basis and receives no overtime when he works late. He was asked what made him so late getting home from work, and he said that they had been obliged to take a scow down to ———— because they didn't dare to leave it over night at the dock on account of what the other workers would say about the loss to the partners in the expense of demurrage. 'They would say, "You're a fine partner, you are. Why didn't you get that scow down last night?" So we took her down.' "[2]

A highly illustrative incident may also be cited of a small printing concern. The owners did not know what to do with one of their most expert printers who spent most of his time talking, complaining, criticizing, knocking and trying to stir up trouble. The Company finally decided upon the bold experiment of taking this man into the firm as one of the partners. His skill justified this move, although his radical ideas seemed to make it a dangerous experiment. Some months later a member of the firm was questioned about the results. "Do you know,"

[2] *Representative Government in Industry*. By James Myers. George H. Doran Co., New York. 1924.

replied the official, "that man hasn't got very much to say any more, *but he's working like the devil!*" Some people say that "you can't change human nature." Yet it is important to note the effect on human behavior of a mere change in economic relationships. This man had no more education, religious idealism, potential ability, or health than before. He even had the same set of glands (to which it is popular nowadays to ascribe the causes of human behaviour.) Yet he acted like an entirely different man. If we expect workers in American industry to act like partners, there is only one way to assure such results, and *that is to make them all partners in industrial enterprise.* A more far-reaching step in that direction will be described in the next chapter.

Questions for Discussion

1. Are labor and capital partners?
2. What are the principles of partnership?
3. What conditions are the essentials for a fair and successful profit-sharing plan?
4. What effect does profit-sharing have on the attitudes and efficiency of workers?

Chapter IX

LABOR AS CONSUMERS—CONSUMERS' COOPERATION

The economic system known as consumers' cooperation more fully incorporates the principles of partnership—a voice in the management—a share in ownership, risks and profits—a knowledge of the books and problems of successful operation. It is more comprehensive than mere profit-sharing because it includes *consumers*. In profit-sharing plans in privately owned industries, there is a serious tendency for the owners and employees seeking joint profits, to gang up on the consumers in matters vitally affecting prices and quality. Since the working class constitutes the largest body of consumers, they themselves suffer in the end. Indeed it is refreshing to discover that amidst all our clashing economic interests, there is one common economic bond which is as broad as humanity itself. Whatever other economic interests tend to divide us into classes or nations—we are all consumers. And as consumers we all have certain economic interests in common.

It is therefore only common sense to build a business system on this economic common denominator of mankind. And this is the basic philosophy of Consumers' Cooperation, which is today making a significant practical contribution toward economic integration and peace.

Consumer cooperatives are to be distinguished from producers and marketing cooperatives. The latter serve a useful purpose, particularly among farmers enabling them to secure better prices for their products, but lack the broader base, wider purposes and economic philosophy of consumers cooperation. Groups of American farmers, however, have also taken the lead in developing consumers' cooperation in this country.

Consumers' cooperation was born ninety-four years ago in the little town of Rochdale, England, when twenty-eight working men and women started the first cooperative store. It has grown from that humble beginning, with wide support in many countries by labor groups and farmers, until today there are over seventy million members of cooperatives in thirty-eight countries of the world, including the United States.

Cooperative enterprises now include both distribution and manufacturing, to a varying extent, in different countries. They cover a wide range of commodities and services, such as groceries, farm machinery,

feed, seed and fertilizer, clothing, furniture, foods, transportation, coal, lumber, gas, oil, automobile tires, housing, rural electrification, credit unions and banks, bakeries, milk distribution, medical service, insurance, and burial cooperatives. They supply human needs "from the cradle to the grave."

There are four basic principles of a "Rochdale" consumers' cooperative. First—economic democracy with one vote for each member of the cooperative rather than a vote for each share of stock as in an ordinary corporation. The cooperative thus magnifies in its system of economic control the value of a person rather than the value of property. Second—limited interest is paid on capital invested. Third—the earnings or savings of the business are returned to the members in the form of patronage dividends on the basis of the total amount of their purchases. The fourth principle of a cooperative is open membership, thus extending its benefits to all, regardless of class, color, creed or condition.

It is possible here only to point out certain vital interests of labor in consumers' cooperation, and to list some of the problems of the relationship of organized labor and the cooperatives.

Wages and Prices

Labor has learned—or is learning—that the mere raising of wages does not necessarily improve its own economic welfare. If prices also rise—as so often happens—labor is just where it started. Organized labor suffering and struggling to gain higher wages, but losing out because of increasing prices of the goods which they must buy for their own family needs, has been likened to an army which gives back at the end of each week all the territory it has gained. Organized labor in Great Britain, Scandinavia and other lands long ago saw that prices must be kept down if higher wages were to result in any economic improvement for their families. In consumers' cooperation they found an effective way of accomplishing in a large degree this result.[1] In America both the A. F. of L. and the C. I. O. have passed favorable resolutions on consumers' cooperation, and increasing interest is being shown among the rank and file.

[1] See *Sweden: The Middle Way*. By Marquis W. Childs. Yale University Press. 1936. 171 pp. $2.50. *Consumers Cooperation in Great Britain*, Carr—Saunders et al, London, George Allen & Unwin, Ltd. 1938. *The Discovery of the Consumer* by Beatrice Webb, Cooperative League of the U. S. A., 167 W. 12th Street, New York. Price, 10 cents.

High Wages and Low Prices

From the point of view of labor, and also in the interest of the economic welfare of the entire country, it should be noted that consumers' cooperation has a definite contribution to make to the apparently unanswerable conundrum of how, at the same time, to raise wages and lower prices in order to create a sufficient volume of purchasing power to balance production and consumption, keep our factories and farms running at capacity, and abolish unemployment.

There is impressive evidence that consumers' cooperation in countries like Sweden and Finland, where it is most highly developed, is actually helping to solve this apparently impossible economic riddle of keeping wages high while at the same time reducing the cost of living. Unemployment has been practically abolished. Other factors have also played their part, including a strong organized labor movement, labor-farmer governments, public ownership of utilities and favorable foreign trade. It should be noted also, for what bearing it may have, that these countries are as yet in the stage of industrial development.

Farmer-Labor Conflict

Cooperation also offers a valuable technique for solving another difficult problem of economic relations—the farmer-labor conflict. It can be the medium of assuring higher prices to farmers for agricultural products, while at the same time keeping net prices down for city consumers. While the cooperative movement has not yet extensively developed such direct relations between farmer producers and city consumers, still there are significant demonstrations of what can be done, both in Europe and in the United States. We may cite as illustrations the cooperatives at Waukegan, Illinois, and Maynard, Massachusetts. The latter is a city consumers' cooperative which is composed chiefly of factory workers. Through the dairy department of this consumers' cooperative it was reported that city workers obtained, at regular market prices, milk, butter, eggs, and other dairy products on which a patronage dividend of 10% was returned to them at the close of 1936. *During the same year the farmers were paid by the cooperative 29% more than their products would have brought from private dealers.* Substantially similar results are reported in subsequent years. And the quality of these dairy products was so high that, strange as it may seem, charges of unfair competition were made against the cooperative. When the cooperative was asked why it sold so much better quality goods at the same price,

the reply was that the very purpose of a cooperative is service to the largest number of people with the highest quality goods, at the lowest possible net prices, while paying the highest possible wages to its employees.

Jesus said, "I came to minister, not to be ministered unto." He also said, "Seek ye *first* the Kingdom of God and His righteousness and all these things shall be added unto you." It is becoming clear that sound economics coincide with fundamental ethics. The only scientific *practical* economic system will be one which is founded and organized definitely and primarily for human service. Consumers' cooperation, founded on these principles, brings forth economic benefits for society as a whole. *It tends to maintain high wages for industrial workers and fair prices to farmers, while it assures lower prices to consumers.* Any economic device which can do that is pregnant with hope not only for a national balance between production and consumption on a basis of abundance, but also for world peace.[2]

Economic Democracy

The means by which the cooperative movement seeks to achieve economic and world peace are as important as these objectives themselves. The reliance upon coercion and force by dictatorships both of the right and of the left will in the end defeat their own purposes. Consumers' cooperation, on the other hand, is voluntary. It is not imposed from the top down by autocracy, either political or industrial. It is built in democratic fashion by the people themselves from the ground up. It restores to the common people the basic opportunities which they have so largely lost, even in America, of sharing in the ownership and management of their own business. It thereby restores once more to the common people the chance to practice our distinctive American virtues of initiative and self-reliance.

While our farmers deserve the credit for the major development in consumers' cooperation in America, labor unionists are now increasingly interested and active. In addition to the older cooperatives, composed largely of industrial workers, which have been successfully conducted by the Finns, Bohemians and others in Wisconsin, Ohio, Massachusetts, and other places, new cooperative societies have sprung up among labor groups in the past few years. In Racine, Wisconsin, there is a cooperative society, only five years old, doing a business of over

[2] *Cooperatives and World Peace* by Harold Fey, Cooperative League of the U. S. A., 167 W. 12th Street, New York. 10 cents.

$200,000 a year. It operates a store, a credit union, a coal yard, and several gasoline stations. Some 85% of its members are labor union members working in various industries. One occasionally hears an employer, exasperated by the demands of organized labor, declare that labor ought to try to run the business itself and that such an adventure would soon end in failure. Yet the history of the cooperative movement shows that "common labor" and farmers are entirely capable of running a business when given an opportunity, provided they adhere closely to Rochdale principles of cooperation. The movement for cooperative credit has also been growing rapidly in this country. Credit unions or "baby banks" formed and managed by their own members provide at low interest the loans which working people are commonly unable to obtain from banks, and for which they are obliged to pay exhorbitant interest to loan companies. Credit unions also cut the costs of installment buying. They provide a means of thrift and enable workers to finance many of their own enterprises. They bring a sense of self-respect and economic self determination into the lives of workers.[3]

There are many problems in the relationships of organized labor and cooperatives, such as the recognition by cooperatives of labor unions, the adoption of union wages and hours for their own employees, the handling of union label goods where possible by cooperatives, and on the other hand, the fair treatment of cooperatives by labor unions. These problems have been happily solved by many cooperatives and are the subject for increasing joint study and friendly discussion between leaders of the two movements.[4] Labor unionists concerned about these problems will be interested to note that highly satisfactory solutions have been arrived at in those countries and in those places in this country where members of organized labor have done most to help build the cooperative movement.[5]

The Union Label

A section must be added to this chapter on the device which organized labor has developed to encourage the purchase of goods made under union conditions. This is known as the union label attached to

[3] Send for information to Credit Union National Association, Madison, Wisconsin.

[4] See *Consumers Cooperation,* December, 1938, for account of Institute on Organized Labor and Consumer Cooperatives at Dillonvale, Ohio, and April 1939 issue for account of similar Institute at Racine, Wisconsin. Published by The Cooperative League of the U. S. A., 167 West 12th Street, New York.

[5] For further information and discussion see *Organized Labor and Cooperatives* by James Myers, The Cooperative League of the U. S. A., 167 W. 12th Street, New York. 10 cents.

the manufactured article or displayed in the window of a union shop. To be sure, goods made under better labor conditions are not always the best buy for quality and price. This is not generally the fault of organized labor since it is employers who determine the quality of materials used, and set the prices. While there are cases where union labels have been exploited for other purposes, yet they constitute in general the best single guarantee to the purchaser that articles have been made under fair labor conditions and are not sweat-shop goods produced by underpaid labor under bad conditions. Loyal trade-unionists, purchasing agents for cooperatives, and conscientious citizens "look for the label." However, with only about 23 per cent of American workers belonging to unions, it is not always easy to find "union-label goods" to meet all needs. It is relatively simple to buy union-made brands of satisfactory quality and price in most items of clothing, printing, coal, tires, gasoline, and to patronize union hotels, restaurants, taxis, barber shops and many other goods and services.[6]

However, even when goods are manufactured under union conditions one's conscience can hardly be at rest, for one needs but to trace the source of raw material, for instance, in a union-label cotton shirt, and he finds himself amidst the deplorable conditions of the sharecroppers. One needs only to trace back the raw material far enough behind even the few brands of union-made as well as other tobaccos to find his feet on tobacco road with all of its misery.

When it comes to groceries and food products, it is possible, for instance, to secure union-manufactured flour. Some canneries and processing plants are also organized but unions among agricultural labor are few and comparatively small. The larger crops in suger beets, peas, beans, tomatoes, onions, celery, lettuce, grapes and raisins, oysters, and citrous fruits are generally picked by migrants and child labor under deplorable standards and conditions.

American labor will need to be organized on far wider fronts, and Federal legislation will need to be enacted setting up minimum wages and maximum hours and abolishing child labor in commercial agriculture as well as in industry, before consumers' cooperatives and American citizens can buy and eat with a good conscience.

Organized labor and consumers' cooperatives together offer one of the major hopes of a future society which will be supplied with goods and services of high quality, at low prices, and without exploitation of human beings in the processes of production and distribution.

[6] Write to American Federation of Labor, A. F. of L. Building, Washington, D. C., and to Congress of Industrial Organizations, 1106 Connecticut Avenue, N. W., Washington, D. C., for lists of union label products.

Questions for Discussion

1. Is there some tendency under profit-sharing plans for employers and labor to gang up on the consumer?
2. What good are higher wages to working people if prices go up faster than wages? Would labor be better off if it could reduce the cost of living as well as raise wages?
3. What economic system has actually helped to reduce prices, raise wages and abolish unemployment in Sweden and Finland? Did organized labor help? In what other countries has labor played a major part in the cooperative movement?
4. What are the basic principles of consumers' cooperation? In what way does it constitute economic democracy?
5. What are the relations between consumers' cooperatives, labor and farmers? What is the union label?

Chapter X

LABOR AS CITIZENS

The trade union movement has always insisted that "labor is not a commodity" to be bought and sold or reckoned in the same category as other costs of production. (This statement has been written into the law as a part of the Clayton Act of 1914.) Unions have insisted that labor is composed of human beings with all the aspirations of mankind. It has pointed out that while organized labor undertakes collective bargaining for better wages and conditions, this does not represent the whole of its purpose, which is rather the attainment of a new dignity and status for working people in human society.

Labor as Consumers, showing the importance of the consumers' cooperative movement to the welfare of working people, was discussed in the previous chapter. Additional important phases of the functioning of labor as citizens must now be considered.

Through labor unions workers have found an opportunity, not enjoyed by unorganized employees, to discuss their common aims and to make their influence felt on wider social issues affecting the nation and the world. Labor union meetings have become, in varying degree, forums for the debate of public problems. Through them union members have achieved a higher and more intelligent status as citizens. While it is true that labor union meetings and conventions exhibit all the weaknesses as well as the strength common to all democratic institutions and procedures, it may be said that the labor movement constitutes a major safeguard in the preservation of our democratic form of government.

In their actual impact upon civic and political life we may divide the activities and influence of trade unions under two general heads: first, their effect upon social legislation; and, second, the more direct and conscious efforts of labor to elect political candidates or to form political parties of their own.

Social Legislation

A careful reading of history shows that organized labor, through resolutions adopted at local, state and national union meetings, through appearances of its representatives at hearings on proposed legislation, and through influence on representatives in legislative halls, has been a

major factor in securing increasingly humane and liberal laws affecting the interests of organized and unorganized workers and the public. The record is an impressive one, starting in the early days of American history with a successful agitation for free public schools, the abrogation of imprisonment for debt, and the widening of the suffrage to all citizens.

In addition to advocating laws to protect its own particular interests, such as the right to strike and the right to picket, organized labor has been a major influence in obtaining legislation for public safety and health. Other state and federal laws for which organized labor has been chiefly responsible include provisions abolishing night work and unreasonably long hours for women, reducing child labor, abolishing sweat shops with their unsanitary and unsafe conditions, setting up workmen's compensation insurance for employees injured in industry, safeguarding civil liberties, and providing state minimum wage laws in low standard occupations. Organized labor helped to secure adoption of the Federal Fair Labor Standards Act, laws for slum clearance and low rent housing, social insurance against unemployment and old age, the National Labor Relations Law, and scores of minor safeguards for workers' health and welfare.

In contrast to the achievements of organized labor, it must be noted that *unorganized* labor has had no direct part in obtaining legislative reforms for working people. To the charge that organized labor is "too class conscious" the reply is sometimes made that unorganized labor "isn't even conscious." Nor have employee representation plans, company unions, or "independent unions" had any appreciable influence on public affairs. In many instances citizens' organizations such as the National Child Labor Committee, the National Consumers League, the American Association for Labor Legislation, the American Association for Social Security, church bodies and others have been effective in helping to secure these reforms. Unfortunately, the record of employers' associations in general shows that, with a few exceptions, they have ordinarily been found actively in opposition.

Political Action

Under this section we shall discuss briefly the policies of organized labor with reference to the more specific issue of the use of its power at the polls in the election of political candidates. In view of the world trend toward increasing power of the state to regulate and control matters of vital concern to all citizens, and particularly in view of its power to determine peace or war, it is clear that economic action on the part of labor is not a sufficient guarantee of the welfare of working people.

It has long been a policy of the American Federation of Labor not to ally itself with a particular political party or to set up a labor party, but rather to "reward labor's friends" and "defeat labor's enemies" at the polls. For this purpose the voting record of legislative representatives has been watched and endorsements have been made of individual candidates for office regardless of their party affiliation. It is obvious from the foregoing section that labor has accomplished much by this method, coupled no doubt with the fear in the minds of politicians that a third party might at any time be advocated by labor if satisfactory results were not obtained. That such fear is not unfounded is evidenced by the endorsement of Senator LaFollette, Progressive candidate in 1924, and by the statement of President William Green before the 1935 A. F. of L. Convention opposing the formation of a labor party at that time, but stating that the Federation would declare itself "in favor of independent political action, in the formation of an independent labor party, when the crystallized opinion of the workers indicates that they believe that their interests can better be served through such action rather than through the pursuit of non-partisan political action."[1]

Independent Political Action

Whatever one's theory may be with reference to a separate labor party, it would seem clear that in many democratic countries, such as in Great Britain, France, the Scandinavian nations, Belgium, Holland, New Zealand and Australia, progress in general labor welfare came earlier and in some important respects went much farther than in the United States. (As we have seen, the consumers' cooperative movement also contributed to the advanced welfare of workers in many of these lands.) In the countries referred to there have been not only strong labor union movements but powerful social-democrat, socialist, labor, or farmer-labor parties which, in a number of countries, have formed labor governments. Dr. Harry W. Laidler states that such parties constituted the largest single parties in France, Sweden, Denmark, Norway, Finland, Switzerland, Australia and New Zealand, the second largest parties in Great Britain and Holland, and that the Belgian Labor Party occupied the first place among political parties in that country in 1938. In France, the Communists as well as the Socialists were strong, each having a political party of its own.[2]

[1] *New York Times,* April 12, 1936.

[2] See *Socializing our Democracy* by Harry W. Laidler, Harper & Brothers, New York; also *Political Handbook of the World,* Walter H. Mallory, Editor, 1939, Council on Foreign Relations. Of course current developments in the present war have completely changed the picture in many of the countries referred to.

It is of considerable interest to note the beginnings of labor political trends in the United States. Conditions and factors in this country are different in important respects and labor political action in America may not necessarily follow the pattern of the older labor movements. In *Toward a Farmer-Labor Party,* League for Industrial Democracy, New York, 1938, Dr. Harry W. Laidler describes briefly independent political action in other countries and describes the present situation in America. He gives a clear analysis of the alternatives in structure and policies and the principal problems which will have to be faced in the formation of a farmer-labor party. In *When Labor Organizes,* Yale University Press, Robert R. R. Brooks brings out some aspects of the greater difficulty as well as of the larger possible gains of labor political action (pp. 297-307).

As yet neither the A. F. of L. nor the C. I. O. has come out for a separate labor party. The A. F. of L. did not even take a stand between the Republican and Democratic candidates for President in the 1936 national elections. As a result of this policy, as has been the case for many years, a prominent A. F. of L. official acted as head of the Labor Committee of the National Republican Committee working for the election of Governor Landon. At the same time another prominent A. F. of L. official was head of the Labor Committee of the National Democratic Committee working for the re-election of President Roosevelt. The C. I. O. has set up as its political agency an organization known as Labor's Non-Partisan League which actively supports friendly candidates in existing parties, preponderantly in the Democratic Party. In some states members of A. F. of L. unions have also been active in Non-Partisan Leagues. Labor's Non-Partisan League definitely endorsed and actively worked for the re-election of President Roosevelt in 1936.

Labor and Farmer-Labor Parties in America

In certain states where it felt the conditions warranted it, as in New York, New Jersey and Illinois, Labor's Non-Partisan League also encouraged the formation of labor parties. The American Labor Party in New York State has achieved quite spectacular results. Formed in 1936, it endorsed Roosevelt for President and Lehman for Governor but did not run any independent candidates of its own. Some 263,000 votes were cast for Governor Lehman under the American Labor Party emblem. In 1937 the American Labor Party was the first party to nominate LaGuardia for Mayor of the City of New York. It also made in-

dependent nominations for city councilmen, for state assemblymen and some other candidates. It conducted an independent campaign financed almost wholly by trade union contributions and by dues of its members.[3] It polled 482,459 votes for LaGuardia (24% of the total vote for Mayor), and elected five city councilmen (out of 26), and five state assemblymen of its own. In 1938, this representation in the legislature shrank to one. As has been stated, the American Labor Party also nominated and helped to elect Thomas Dewey as District Attorney of New York City. Mr. Dewey, with this support, has done much to clean up racketeering in New York.

While neither the Socialist nor the Communist parties are members of the American Labor Party, (The Social Democratic Federation whose members left the Socialist Party is a member of the A. L. P.) both endorsed many of the American Labor Party candidates in the 1937 election,[4] and Communists and Socialists as individuals joined the A. L. P. The Socialists also withdrew their candidate, Norman Thomas, "in the belief that such action would strengthen the labor movement and the party's 'usefulness in building a national labor party.'"[5] In 1939, the Socialist party in New York State, in a referendum vote, decided to

[3] For discussion of contributions and dues for a labor party collected through unions and the British law on the subject, see Robert R. R. Brooks, *When Labor Organizes,* Yale University Press, p. 303. Also "The Check-off in Politics," editorial, New York *World-Telegram,* Nov. 7, 1939.

[4] On the part of the Communist Party this policy was a complete reversal of American Communist tactics previous to 1935 when the party endorsed no candidates but its own and denounced anything less than Communism as a platform. In 1936 the Third International meeting in Moscow decided on a new party line of collaboration wherever possible with liberal and democratic forces in labor and civic and political movements, and endorsed the idea of a farmer-labor party as a part of "The Peoples Front" program. This accounted for the American Communist Party's tactics to November, 1939. With the outbreak of the European war, the Russian-German pact, and the invasion of Finland, the American Labor Party denounced the Russian and totalitarian forms of government and sought to purge its ranks of Communist elements.

[5] *Toward a Farmer-Labor Party in America.* By Harry W. Laidler. L.I.D. pamphlet. New York. 1938. p. 38. Dr. Laidler also quotes Norman Thomas, thrice candidate for President on the Socialist Party ticket, with reference to that party's attitude toward a national labor party, as follows: "the next logical step for Socialists who rejoice in the progress labor unions are making under the C. I. O. would seem to be the formation on a national scale of a labor, or, better, a farmer-labor party. We should not expect that party immediately to be fully Socialist. It could not take the place of Socialist organization for purposes of education and agitation. But Socialists should be delighted to work with it in election campaigns. It is clear that the workers are more likely to resort to such a party than to flock in great masses to the Socialist party." However, in the belief that there was little or no chance for the formation of a labor-farmer party on a national scale in 1940, the Socialists in their April 1940 convention in Washington, again nominated Norman Thomas as their presidential candidate.

make the A. L. P. its "electoral agency" in that state and encouraged Socialist party members to join the Labor Party while retaining their membership in the Socialist party. Many Socialists did so with the consent and encouragement of the A. L. P. Harry W. Laidler, a well-known Socialist, was elected to the New York City Council as one of the two A. L. P. candidates elected.

Other significant developments in America are the Farmer-Labor Party of Minnesota, which for several years elected the Governor, and the Wisconsin Farmer-Labor Progressive Federation, which has worked for some years through the Progressive Party of that state and in 1938 elected 22 of their members on the Progressive ticket. While labor-farmer forces suffered a severe set-back in these two states in 1938, they are still potential forces in the political scene. Both have come out for the formation of a national party when the time is considered opportune.

In a number of cities the Socialists have in various years elected mayoralty candidates as in Reading, Pa., Bridgeport, Conn., and Milwaukee, Wisc. These Socialist administrations have enjoyed a reputation for honest and efficient government. In the case of Milwaukee, Mayor Hoan was continuously re-elected for over twenty years.

Other Forces and Trends

Another organization, which for a number of years worked actively toward labor and farmer political action, is the American Commonwealth Federation. Significant joint conferences have also been held by Labor's Non-Partisan League and the Farmers Union. Such a conference held in Chicago in 1938 declared that these groups must also "organize their political strength so that national and state governments may be used in democratizing industry" and drew up a suggested legislative program. However, the Board of Directors of the Farmers Union at a later meeting refused to ratify this action as premature but cordially endorsed holding further conferences to promote "better understanding between organized labor and organized agriculture." The effect of such conversations on possible independent political action is as yet uncertain.

The voting strength of the distinctly radical political parties has assumed very small proportions in America. They are still at work on the national field but the combined votes of the presidential candidates of all minority parties, including Socialist, Communist, Union Party (Lemke), Prohibitionist, and Socialist-Labor, together represented only

from two to three per cent of the total vote in the United States in 1936.[6]

The fears in certain quarters of "red" influence in America seem to be without much foundation at the polls.

It would, of course, be difficult to predict what future course American labor and farmers may take with reference to political action. We have endeavored merely to state very briefly the present situation in this country.

Questions for Discussion

1. Has the trade union movement concerned itself with anything except bargaining for wages and hours? In what sense is labor "not a commodity"?
2. In what two ways have unions had an influence on political and civic life?
3. What social legislation for the benefit of the public and all workers has organized labor helped to secure? Have unorganized labor or employee representation plans secured any social legislation for the benefit of all workers?
4. What is the policy of the A. F. of L. on independent political action? The C. I. O.? What position have labor movements in other countries taken?
5. What parties represent independent political action in America—in what geographical areas are they strong? What percent of the total presidential vote in 1936 was polled by radical and minority parties?

[6] The Presidential votes of the minor parties in 1936 were as follows: Union Party (Lemke), 882,479; Socialist (Thomas), 187,720; Communist (Browder), 80,159; Prohibitionist (Colvin), 37,847; Socialist-Labor (Aiken), 12,277; total 1,200,482 against a total vote of all parties of 45,646,817.

In support of the effect of minority parties on progressive social legislation, however, Charles A. Beard, one of the country's foremost political scientists, states in *American Party Battles* that: "As far as the great body of social legislation enacted during the last thirty years is concerned, it must be confessed that it sprang from movements of opinion quite outside the range of political orthodoxy, that is, from the agitation of minorities winning concessions from the major parties."

Chapter XI

THE NATIONAL LABOR RELATIONS ACT

A thorough understanding of the background, nature and practices of labor unions would, we believe, eliminate much of the criticism of the National Labor Relations Act which is designed to guarantee to labor the right to organize. Whether or not the reader agrees with this opinion, it is hoped that he will not read this chapter as a separate unit without giving consideration to the preceding chapters as essential background for any serious consideration of the National Labor Relations Act.

A variety of criticisms and suggestions for amendment of the National Labor Relations Act have been made. No doubt still others will develop. We cannot discuss in detail all such suggestions or the complex problems involved. We shall, however, present and attempt to interpret certain basic facts which we believe the reader will desire to take into consideration in any evaluation he may finally make of the Act and its operation.

The National Labor Relations Act, passed by Congress in July, 1935, and upheld by the Supreme Court in April, 1937, has as its single purpose the protection of the right of labor to organize and bargain collectively. It is not intended to deal with evils or wrongs which may be committed by labor, including coercion, violence, intimidation and racketeering, laws and remedies for which we have already discussed. It is no more fair to call the National Labor Relations Law "one-sided" than to designate as "one-sided" many generally accepted laws such as the law against stealing. A thief is not exonerated for his offense if he proves that his victim is a law breaker of some other variety. Many laws like the National Labor Relations Law have a single purpose. The total fabric of all laws taken together should guarantee justice for all. The National Labor Relations Act is intended solely to establish as law labor's right to organization. This right had been endorsed by civic organizations, churches of all faiths, and by the platforms of all political groups, including the Republican and Democratic parties, for many years previous to the enactment of the law.

In practice, however, the right of labor to organize had been denied by employers in many industries. The writer has gone directly from

church assemblies where the right of labor as well as employers to organize was solemnly endorsed, and witnessed the spectacle of the families of workers evicted from their homes and living in tents in the snow. Their breadwinners had been discharged from their jobs for no other reason than that they had attempted to put into practice the principles of collective bargaining so generally endorsed in theory by the church and the public.

Until the passage of the National Labor Relations Act, the government—federal, state, and local—had limited its legal sanctions and guarantees in industrial disputes merely to the protection of property rights and of the right of non-strikers and strikebreakers to work. Troops were often called out for these purposes. But when employers violated the right of workers to join unions and demand collective bargaining, and discharged and discriminated against those who asserted these rights, government offered no redress. The sole purpose of the National Labor Relations Law is to assure to workers legal sanctions in the protection of rights of collective bargaining.

In thus legalizing the rights of workers, long endorsed in theory by Republican as well as Democratic parties, and public bodies, the National Labor Relations Law would seem to be in the interest of public welfare and industrial peace. For it gives the workers assurance that the government of their country is no longer concerned solely with the protection of property rights but stands also for the protection of the rights of the masses, and for equal justice worthy of the name. Nothing could be a more effective safeguard than this against the violent revolutionary tactics which proletarian workers tend to adopt when and if they feel that government itself does not fairly protect their rights.

The National Labor Relations Act says:

> "It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection."

The second paragraph of Section I also calls attention to the fact that lack of unions causes low wages with lack of purchasing power for

the masses, thus tending to aggravate recurrent business depressions.

To administer the law, there was set up a non-partisan quasi-judicial board of three members appointed by the President with the approval of the Senate.

Section 7 of the Act declares that employees have the right to organize and to bargain collectively through representatives of their own choosing.

Implementing the collective bargaining guarantee, employers are prohibited from infringing on the right of self-organization by indulging in specific unfair labor practices.

The prohibited practices are: "1. To interfere with, restrain or coerce employees in the exercise of the rights guaranteed in Section 7. 2. To dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it. 3. By discrimination in regard to hire and tenure of employment or any term or condition of employment, to encourage or discourage membership in any labor organization. 4. To discharge or otherwise discriminate against an employee because he has filed charges or given testimony under the Act. 5. To refuse to bargain collectively with the duly chosen representatives of employees."

The Act provides how representation of employees may be determined, whether by election or by certification of a union upon proof that a majority of employees are members.[1] Representatives selected or designated by a majority of employees in a unit appropriate for collective bargaining are given the exclusive representation of the employees in such unit. Responsibility for mediation and conciliation in industrial disputes where no violation of the Act is involved does not rest with the Board but remains in the hands of the Department of Labor. In a number of states separate mediation boards have been set up to assist in harmonious adjustments between employers and existing unions.

Major Issues

There are a number of major phases of the Act and the Board's administration, around which current criticism and debate have revolved: (1) the provision for "majority vote" with "sole representation" for all employees accorded to whatever union wins the majority support of the

[1] The Board ruled in July 1939 (in the Cudahy, Armour and Vanadium cases), that hereafter it will call for a secret election, rather than accepting as evidence union membership cards and applications (unless such evidence is not questioned by the employer). These rulings eliminate one of the major sources of previous criticism of the Board's procedures.

employees; (2) dispute over the power of the Board to determine the appropriate unit of representation; (3) the fairness of the Board and its decisions; and (4) the question whether the law should allow employers themselves to call for elections in their plants.

An additional criticism of the Act and the legal status and procedures of the Board is sometimes heard in the allegation that the Board "acts as both prosecutor, judge and jury." A similar charge, however, would apply equally to the structure and procedures established by law for the Federal Trade Commission, the Interstate Commerce Commission and other federal administrative agencies which have developed during a period of fifty years under Republican and Democratic administrations alike.[2]

Majority Rule

It hardly seems necessary in America to defend the democratic principle of majority vote to determine public issues. This principle is incorporated in the National Labor Relations Act. But the stipulation that a union, after winning a majority of employees, shall become the "sole representative" of all employees in relations with the management seems to have aroused apprehension. This provision, however, merely follows the pattern of our political democracy. When a majority of workers elects a certain union to be its "sole representative," the situation is identical to that in which a majority of citizens elects a congressman. When elected, the congressman becomes the "sole representative" of the entire district or political unit. He represents both those who voted for him and those who voted against him, the minority retaining only the right of petition and protest. This same right of petition for minorities and presentation of grievances is also provided for in the National Labor Relations Law. Section 9(a) states that in addition to the majority rule "any individual or group of employees shall have the right at any time to present grievances to their employer."

The same situation is true in international relations. When a candidate has been elected President of the United States he becomes the "sole representative" of the whole nation. Foreign countries do not insist on negotiating also with defeated presidential candidates as representing minorities. It may also be pointed out that owners apply the same principle of majority control in their own business organizations. The board

[2] Chief Justice Hughes has held that the procedural provisions of these administrative tribunals afford ample opportunity to secure judicial protection against arbitrary action.—See article *The N. L. R. B. On the Carpet* by Louis Stark in Current History, February, 1940.

of directors and the officials of a corporation, after election by those who hold a majority of the stock, become the "sole representative" of all stockholders in the conduct of the business, including relationships with labor. The situation in a corporation is even less democratic than in our political life or in labor unions since a vote is attached to each share of stock so that a single individual or a small group may control the affairs of thousands of stockholders.

"Appropriate Units"

The Act gives the National Labor Relations Board the power to "decide in each case whether, in order to insure to employees the full benefit of their right of self-organization and to collective bargaining, and otherwise to effectuate the policies of this Act, the unit appropriate for the purposes of collective bargaining shall be the employer unit, craft unit, plant unit or subdivisions thereof."

In view of the changing character of industry, tending toward more and more mass production, and in view of the conflict in the labor union movement between craft and industrial unions, it is difficult to see what other provision could be made except to give this power to the Board.

Much criticism has been levelled at the Board, principally by the A. F. of L., but also by the C. I. O., because its decisions of "appropriate units" for representation of workers in particular cases have been displeasing to their particular interests. Some sections of the press have capitalized the criticism of the Board by labor organizations, usually failing to point out the exact nature and reasons for such criticism which are to be found in the internal conflict in the labor movement.

The Board has an extremely difficult role in deciding "appropriate units" for representation. Louis Stark, expert Labor Reporter of the New York Times, In *Social Action,* August 15, 1938, says:

> "In this dilemma the Board studies the factors motivating organization and the forms most conducive to effective collective bargaining. It decided to apply these considerations to the designation of the proper collective bargaining unit:
>
> '1. The history of labor relations in the industry and between a particular employer and his employees as relates to collective bargaining units.
>
> '2. The community of interest or lack of such interest among employees in the matter of qualifications for work, experience, duties, wages, hours and other working conditions.

'3. The organization of the business of the employer from a functional, physical and geographical viewpoint.
'4. The form which efforts at self-organization among the employees has taken, including the prerequisites for membership in the projected or established labor organization or organizations.' "

He further comments that:

"Naturally the board was condemned for its decisions by both labor organizations for it could not satisfy the A. F. of L. and the C. I. O. in every case. The board adopted no general rule and each case *stood on its own facts*. But when the decision was adverse to either labor organization that one condemned the board as 'biased' and 'lacking impartiality.' "

Another criticism, chiefly by the A. F. of L., but at least in one case by the C. I. O., has been that the Board set aside union contracts with employers. The Board points out that it takes such action only when it believes that evidence shows that such contracts were entered into by employers with a union without evidence that the union represented a majority, or where there was evidence that the union actually represented only a minority, or when an employer has assisted a particular union to sign up workers which is a violation of the law.

In view of the fact that the law stipulates that nothing contained therein shall be "construed so as to interfere with, or impede or diminish in any way, the right to strike," it seems unjustified to refer to the law as certain disgruntled labor leaders have done as "an instrument of labor bondage." Rather the public should recognize the fact that the source and reason of such labor union criticism of the law are to be found in the present craft-industrial union conflict in America. When that conflict is resolved, criticism of the National Labor Relations Law and of the Board from labor sources will probably disappear.

Fairness of the Board—Is It Prejudiced Against Employers?

Criticism is often heard that the Board is prejudiced against employers in general and usually rules against them. It is true that the Board has decided adversely to employers in most cases *after complaints were formally entertained*. The press in general has played up such decisions without explaining that complaints by employees and unions *are not formally heard by the Board until after they have been thoroughly investigated* by its regional offices and after those complaints without sub-

stantial merit have been dismissed, withdrawn by the unions, or disposed of by voluntary agreements between employers and unions.

It is a striking fact that up to April 1, 1940, *only 7% of the 23,713 cases handled by the Board involved public hearings and formal action,* and not all of these were decided in favor of unions. It is not surprising that most of the cases which finally come to the Board at Washington are decided in favor of the complainants since, in general, only the most flagrant violations of the law finally come to the Board for formal decision. Others are disposed of by the regional board offices where, up to April 1, 1940, *44% of all cases were either dismissed by the Board or withdrawn by the unions* after the Board had become convinced that these complaints were unfounded. Forty-nine per cent were disposed of by voluntary agreements between employers and employees, leaving only 7% to go to the Board for final hearings and decision.[3]

Furthermore, the Board has averted more than 816 strikes, involving nearly 190,000 workers. The Board's election machinery procedure has been used in 2,850 cases in which 958,421 employees have voted by secret ballot on whether or not they wished to join any union and, if so, which one. All this presents an impressive contribution to orderly, peaceful adjustment of industrial discontent which otherwise would have found expression in strikes or in repression of workers' rights of organization.[4]

It appears that with the rapidly expanding work of the Board, and the difficulty of securing for its increasing field staff a sufficient number of men of ability and experience in this highly specialized field, mistakes may have been made, and unreasonable attitudes taken by some of the Board's agents in certain situations, nor do we presume to pass on the justice of all the Board's decisions. But this does not alter the general picture of fairness and usefulness of the Board as shown in its reports and in its court record.

The Record in the Courts

After opposition and attack and litigation, perhaps unprecedented in the history of any other government agency, it is interesting to note the record of the Act and its administration in the courts. The Supreme

[3] It is most illuminating to read the brief case descriptions of actual union complaints, employers replies, grounds for decisions by Regional Directors and other disposition of cases in *Unions of Their Own Choosing* by Robert R. R. Brooks, New Haven, Yale University Press. 1939.

See also *Death of a Yale Man* by Malcolm Ross, New York, Farrar & Rinehart, 1939.

[4] For statistics quoted in above paragraphs see Release R-2991 of National Labor Relations Board.

Court has upheld the Board in 17 cases brought before it. Only in 2 cases did the Court deny the enforcement of a Board order.

Circuit courts of appeal have upheld the Board in 81 cases and have refused to enforce its orders in 19. The Board won all of the 103 injunction suits which were brought to prevent it from holding hearings.[5]

Should Employers Have the Right to Petition for Elections?

Many believe that employers as well as employees should be allowed, under the law, to petition the Board to hold elections to ascertain whether their workers wish to join a union or not. This point needs careful consideration. For it should be recognized, that if an employer could demand an election at a time and under circumstances he might choose, it would be possible for him often to forestall the beginnings of labor union sentiment before his workers had an opportunity to consider the matter. Even in factories where spies are not used to keep down union sentiment among the workers, there is still a potent influence emanating from the management by which workers may be made to feel disapproval (if no worse penalty) of joining a union.

When unorganized employees remark that "we don't want a union here," further light may often be secured on their reasons by asking them the question: "Do you think the owners would want to have a union here?" Frequently, in investigations conducted by the writer, their replies to this question have been emphatically negative, and it was clear that their own attitude was decidedly influenced by their employers' attitude. In reply to a further question: "Do you think the workers here would like a union if the employer would be glad to have one?" their replies were often decidedly affirmative. An unorganized worker is so deeply conscious that his job—his ability to supply food and shelter for his family—depends solely upon the goodwill of his employer that he will, almost without exception, say to his employer what he believes his employer wants him to say, and certainly refrain from open disagreement with him. As a result, many employers honestly believe their employees do not want a union when their unspoken desire may be quite the opposite. Recently an employer said indignantly that his employees did not want a union, that he had always given them the best conditions, that "the whole trouble was with a few agitators." A few days later a government election was held in his plant in which about 80% of his employees voted to join a union and only 6% voted in the space provided to indicate that they preferred no union.

[5] Information from National Labor Relations Board, May 15, 1940.

When an employer tells me that in his plant "we are all one happy family," I cannot help wondering if all the children are as happy as Papa. He may honestly believe that they are but he may not know. A mill owner in the South once told me that when a committee of his workers, who were not organized, repeatedly complained to him about conditions, he had replied in the above vein and finally bet the committee $50 apiece that they could not pull a strike among his loyal employees. Feeling that their attempts at peaceful settlement were hopeless, the committee went outside and blew a whistle and the factory walked out. "I was never so surprised in my life," said the owner.

The only fair test of whether or not workers want a union is to be sure that they have first-hand opportunity to study and consider the matter freely for themselves, and then to allow a government-conducted election to be held. The results of the 746 government-conducted elections, during July 1938—June 1939, where employees had the opportunity to express their wishes by secret ballot, are significant. In 77% of these elections established labor unions were chosen by the employees. In only 23% of these elections did workers choose either independent unions or no unions at all. The keen interest of the workers is evidenced by the fact that 88% of the approximately 207,597 employees eligible to vote actually cast their ballots.[6] Such participation also reflects the approval by the workers of the democratic device of the secret ballot.

If the statistics quoted in this chapter have come as a surprise to the average reader, some explanation may be found in the treatment accorded to the Board by many newspapers. An interesting article on The Press and the National Labor Relations Board by Mary Bartlett[7] indicates the strikingly disproportionate amount of space given by newspapers to court decisions and news unfavorable to the Board as against the meagre mention of favorable decisions and news.

Petitions by Employers

The law seems unfair to many employers who have had longstanding friendly relations with their employees, in that these employers are not free to advise their own workers in any way, even against joining unions which they believe are dishonest and unfair. There is undoubted hardship at this point but it is difficult to see how the law could be so amended as to obviate it without at the same time opening the doors to undue employer influence over the free choice of his employees in the

[6] Fourth Annual Report of the National Labor Relations Board, p. 51.
[7] *The Nation,* January 14, 1939.

matter. With adequate safeguards, such as set up in the New York State Labor Relations Law, employers might safely be granted a more general right to petition for elections, although in New York employers have made relatively little use of this provision. In June, 1939, the National Labor Relations Board announced that it would hereafter permit employers to petition for elections to determine collective bargaining representatives for employees, when the employer is caught in a struggle between two bona fide unions such as the A. F. of L. and the C. I. O. which have not petitioned for an election. During the first 10 months in which this ruling was in effect the Board reports that employers availed themselves of the opportunity to file petitions to the extent of only one-half of one percent of all the petitions filed.

There are, of course, many minor questions of administrative policy and procedure which it has not been possible to discuss in detail. We have endeavored only to state and interpret the basic purpose of the Act and the major results of its administration.

Diminishing Need of Board's Action

Since the National Labor Relations Board has the sole duty of administering the Act and since the Act is intended for the sole purpose of guaranteeing to labor the right of collective bargaining, it seems safe to predict that as employers in this country more generally concede this right, the work of the Board will correspondingly decrease as a factor in American labor relations. Assurance of status to labor unions will leave the way open for the more generally cooperative relations between employers and organized labor which obtains in Great Britain, and which already characterizes large areas of American industry which we have previously described.

It will be well, however, for the public to bear in mind that underlying industrial unrest will continue as long as other basic causes remain. These are to be found in low annual wages, unjust and unbrotherly distribution of wealth and income, unemployment, slums and poor living conditions, race discrimination, and miserable conditions in commercial agriculture among the sharecroppers and migratory workers. So long as dire poverty exists side by side with great wealth, industrial unrest will continue. The report of the National Resources Committee shows that the average family income of 33⅓% of the nation was only $471 in 1935-6. On the other end of the scale family incomes averaged from

$10,000 a year up to the millions, but less than one per cent of the population enjoyed such privileges.[8]

An economic society based on justice and resulting in abundance for all, which is now possible in our machine age, will alone remove the major causes of unrest. There is only one way to make the masses of our people reasonably conservative—and that is by giving them something to conserve.

Questions for Discussion

1. What is the single purpose of the National Labor Relations Act?
2. What are the principal "unfair labor practices" prohibited by the law?
3. Discuss the provision for "majority vote" in choice of a union by employees.
4. Why has the Board run into difficulty in determining "the appropriate unit for representation"?
5. Has the Board been fair in its decisions? What per cent of complaints were dismissed by the Board, withdrawn by the unions, disposed of by voluntary agreements? What per cent came up for formal hearings and action? What have been the results of elections?
6. Do you think the law should be amended?
7. What are the major causes of industrial unrest?

[8] See *Consumer Incomes* in the United States; their Distribution in 1935-36—Superintendent of Documents, Government Printing Office, Washington, D. C. Price 30 cents.

Chapter XII

INTERNATIONAL LABOR RELATIONSHIPS

With constant pressure from organized labor for improved wages and working conditions, the question naturally arises whether increased costs of manufacture in any one country will not put it at a disadvantage in competing with countries where lower labor standards prevail. Higher wages do not necessarily result in correspondingly higher costs since relative efficiency of labor and degrees of mechanization in industry may make possible higher wages without a proportionate increase of costs. Nevertheless, this is a serious problem particularly for the United States where labor conditions are relatively high compared to many countries.

The I. L. O.

Happily, an international agency exists which is specifically designed to cope with the problem of elevating labor standards throughout the world so as to establish fair competition between the nations. It is known as the International Labor Organization with headquarters at Geneva, Switzerland. The I. L. O. is *not,* as its name would seem to imply, an international agency of organized labor unions. Rather it is an official conference of *governments,* with a present membership of 60 nations of the world.[1]

The I. L. O. conducts extensive research, collects and publishes data and statistics on working conditions throughout the world covering the degree and causes of unemployment, child labor, wages, hours, safety, health, workmen's compensation for accidents, organized labor relations, and other labor conditions and problems.

An annual conference is held by the I. L. O. at Geneva at which each member government is entitled to four delegates, two representing government, one representing workers (commonly a representative of organized labor), and one representing employers (commonly a representative of organized employers). The delegates are accompanied by technical advisers. At this annual conference specific subjects are debated, such as underground work of women in mines, social security

[1] Italy on December 15, 1937, and Japan on November 3, 1938, announced their intention of withdrawing—effective 2 years later. Hungary and Peru in April, 1939, withdrew from the League but stayed in the I. L. O.

provisions for unemployment and old age, minimum age of children leaving school for employment, the forty-hour week, safety, and scores of other matters. After thorough discussion "draft conventions," favoring specific legislation by the nations, are adopted. No nation is obligated by the action of the International Labor Conference to adopt its "draft conventions" but each member nation pledges itself to bring up those proposals in its own national legislature and report back. Thus coercion by the I. L. O. is avoided, but at the same time its draft conventions get attention in each nation and world public opinion is developed with its moral influence toward raising standards. Some 839 (as of March 1, 1939) ratifications of draft conventions by various nations have now been recorded. This indicates the very significant effect of the I. L. O. on the elevation of labor standards throughout the world and proves its effectiveness as a substitute for tariff wars, migration, and unfair economic competition.

The I. L. O. is an autonomous body operating under its own constitutional charter. Historically, however, it was created as a permanent official agency after the World War and its charter was first incorporated into Part XIII of the Versailles Treaty of Peace. Its purpose was set forth in the solemn declaration of the nations that "universal peace can be established only if it is based on social justice."

Americans were prominent in the inception of the I. L. O. Samuel Gompers, then President of the American Federation of Labor, was Chairman of the Commission on International Labor Legislation of the Peace Conference from which the idea of the I. L. O. evolved. Prof. James T. Shotwell with his prophetic vision was an influential American delegate. In spite of this fact, the United States did not join the I. L. O. until 1934. Only in 1938 did we ratify five draft conventions with reference to safety and working conditions at sea, giving them the effect of law in the United States and of international treaties with other member nations of the I. L. O. which adopt them. The standards set up by this legislation, with the exception of the provision for annual vacations with pay, were already equalled or excelled by American law or practice.

The recent election as Director of the I. L. O. of John G. Winant, formerly Chairman of the Social Security Board of the United States, the participation of many able government and employer delegates from America and the election to the Governing Board of the I. L. O. of Robert J. Watt, an outstanding liberal in the American Federation of Labor, now assures an active and helpful part in the work of the I. L. O. on the part of the United States.

International Labor Union Contacts

In addition to government cooperation through the I. L. O. toward standardizing world labor conditions, there is, of course, the pressure of the labor union movements in various countries. Some of them, such as the British, French, Scandinavian, and other labor movements, exercise a wider influence in their own countries than the American labor movement has so far attained. There are also a number of international federations of trade unions which meet at stated or occasional times to confer and advise with each other for the improvement of the status of labor throughout the world.

The American Federation of Labor is a member of the International Trade Union Federation with headquarters at Amsterdam, Holland. It is also seeking to revive the Pan American Federation of Labor. The C. I. O. Convention of 1938 instructed its executive board to consider affiliation of the C. I. O. with the International Trade Union Federation.

The C. I. O. was fraternally represented, through John L. Lewis, at the formation of the Federation of Latin-American Labor Unions, and has acted at its convention to hail the formation of that body, but formal affiliation is not in question at the present time, since the Federation is composed only of Latin-American labor movements.

Questions for Discussion

1. What is the International Labor Organization? How many national governments are members?
2. What does the I. L. O. do? What kinds of delegates does each nation send to the annual conference?
3. What are "draft conventions"? Are they binding on member nations? How many have been adopted and what is their effect?
4. Is the I. L. O. "a department of the League of Nations"? What connections has the United States had with the I. L. O. (a) in its beginning, (b) at the present time?
5. Do labor unions as such have any international affiliations with trade unions in other countries?

Chapter XIII

LABOR AND WORLD PEACE

How socially minded is organized labor? What are its attitudes and practices with reference to broad social problems? We have already indicated in the chapter on Labor As Citizens that organized labor has been one of the major forces making toward social progress through legislation as well as in the economic field. In the chapters dealing with International Labor Relations, Negroes, and Women and Trade Unions other tests of the degree of social-mindedness of labor are discussed. In this chapter we shall review briefly labor's attitude toward world peace.

To one who has been in touch with the labor movement for many years a distinct advance in peace-mindedness is noticeable.[1] Certain unions in industries such as the metal trades, directly affected by manufacture of arms and war supplies, have for many years advocated large preparedness expenditures apparently in the hope of creating more jobs and higher wages for themselves. Other unions, however, have successfully opposed the advocacy by labor of what they have considered excessive army and navy expenditures.

Labor's Stand on Armaments

On the question of armament, the labor movement has, to be sure, always advocated "an adequate national defense." It has never demanded a definition of the weasel-word "adequate"; nor has it ever seriously worked for a clear-cut policy as to what we are to defend. But in this respect it does not differ from the overwhelming majority of the American people. On the other hand, it has consistently advocated that "national armaments be reduced by international agreement to the lowest point consistent with domestic safety."

In the last few years, the ever increasing armament budget has created in labor circles the fear that the government might be embarking on an experiment in "armament economics" as a cure for depression—that is creating employment by absorbing men in munitions manufacturing and in the army and navy. This was the road followed by Nazi Ger-

[1] Peace education has been carried on in the ranks of labor through its own workers' education movement. The National Council for the Prevention of War through its Labor Secretary, who was previously a labor union official, has done widely effective work in this field.

many and other dictatorships. On this subject, the A. F. of L. has warned "that planning for increased production should be directed toward the goal of higher living standards for all and not toward undue or unnecessary production for military purposes; that jobs shall be created in industries producing goods needed by the people rather than munitions, except those needed for national defense." The February, 1939, A. F. of L. Survey of Business contained the following item on armaments:

> "They (the workers) know that when productive energy is diverted into armament programs it means lower living standards for the workers and a grave danger of conflict. We in America need to guard against an emotional approach to foreign problems, which would magnify war scares, create hatred and fear, and serve as a background for large armament expenditures."

John L. Lewis, president of the C. I. O., in an exclusive interview with Eleanor Patterson, publisher and editor of the Washington Times-Herald, in December, 1937, expressed his deep concern over the rush for war preparations. "Are we perhaps headed into another war?" he asked. "If enough people in high places adopt the war psychology, eventually they can get the rest of the country thinking that way. This is something which very much concerns me," he added, "because if there is war, it is labor which has to do most of the dying."

The Congress of Industrial Organizations, at its convention in Pittsburgh (1938), held that "full employment of all workers is the best natural national defense." It demanded that money for "necessary defense" be over and above the full appropriations needed for the social services.

Against War Dictatorship

During the past few years, proposals for dictatorship in any future war-time have found all of labor united in opposition to their passage. The McSwain bill of 1935, the Hill-Sheppard bill of 1936, and the Sheppard-May bill of 1937—the enabling legislation for the War Department's plan for industrial mobilization of this country in wartime—met with the wholehearted resistance of the American Federation of Labor, the Congress of Industrial Organizations, the Railroad Brotherhoods, and other labor groups not affiliated with any one of these federations. Even Union Labor Posts of the American Legion actively opposed this "draft of labor" legislation despite the support given to it by their parent organization. It is generally conceded that it was largely labor's unified

opposition that caused the McSwain bill to be completely emasculated by amendments and the later bills to remain in the Military Affairs Committee of the House up to the present writing.

Labor has thus far been on guard against the possibility of our own government assuming totalitarian power even in wartime. Since the outbreak of the present war in Europe, and with increasing tension in this country, the danger is increased that, in the political and military processes of defense, we may relinquish or abandon our basic ideals and practices of democracy in our very efforts to defend and preserve them.

Labor Unanimous on Keeping America out of this War

Following the outbreak of war in Europe, both the American Federation of Labor and the Congress of Industrial Organizations, at their annual conventions in October 1939, took a strong and unanimous position against the entry of the United States into the war. We quote as follows from these official resolutions.

The C. I. O. declared that—"Europe has again been plunged into the horrors of war which may mark the end of freedom and may destroy civilization on that continent. . . . Labor's answer to the tragic war in Europe must be the preservation of peace in the Western Hemisphere, the protection of our democratic institutions, and the extension of the social and economic gains achieved during the past six years. . . . Labor wants no war or any part of it, and while countries in Europe are engaged in their barbaric orgies of conquest and aggression as they have been doing for centuries, it must ever be the purpose of the United States to remain out of these wars. . . . The C. I. O. offers its support to President Roosevelt's neutrality policy based upon the cardinal principle of keeping America out of war and calls for further legislation to take the profits out of war business by rigorous taxation of excess profits and surplus incomes."

The A. F. of L. declared that—"We are unalterably opposed to our own nation becoming involved in European conflict. We favor the exercise of neighborly and mediatorial influence by our government in all efforts to promote peace and to compose differences between nations. But, in doing this, we insist that our government shall pursue a judicious policy, exercising care and caution and a firm determination to avoid involvement in European conflicts or in European wars. . . .

"There remains fresh in our memories the reasons which led our country to participate in the World War. We were convinced that our participation would make the world safe for democracy. Since that war

we have been painfully disillusioned, for the European world at least was seemingly made safe for dictatorships. It was these totalitarian states arising from conditions following the signing of the Versailles Treaty which gave to dictators, with their ruthless destruction of democratic institutions, their opportunity.

"We are opposed to participation in the present war for many valid reasons; one, which we must not overlook, being the fact that we would be but one of several nations contending against the totalitarian powers.

"We would not have the deciding voice in the method of conducting the war.

"We would not have the deciding voice in determining the terms of the peace.

"We would not have the deciding voice in apportioning the costs in human lives and in wealth.

"We would be called upon to approve a war program which would take an incalculable toll of American lives on foreign soil and which would leave hundreds of thousands of our young men horribly mutilated."

Labor, while standing for "adequate defense", should prove to be one of the strongest forces for peace.

Questions for Discussion

1. What are some of the tests of the "social mindedness" of organized labor itself?
2. Has organized labor taken in recent years an increasingly strong stand for international peace? What unions are especially tempted to advocate heavy armament expenditures and why?
3. What position has organized labor as a whole taken on (a) "armament economics"? (b) proposals for war dictatorship and industrial mobilization?
4. What stand has the C. I. O. taken about keeping America out of the present war?
5. What position did the A. F. of L. take? What reasons are given?

Chapter XIV

NEGROES AND LABOR UNIONS

Race discrimination in some labor unions, particularly against Negroes, reflects in varying degree the social attitudes and prejudices unfortunately common to American life. Other civic organizations, the public in general, and even the churches are hardly in a position to throw stones. In fact, many unions are far in advance of most groups in granting equality of status to Negroes.

The American Federation of Labor has long officially declared against race discrimination in union membership. Yet some twenty-four A. F. of L. unions still bar Negroes from membership in their constitutions or by means of ritualistic devices.[1] There is often the further problem of discrimination in actual employment opportunities even when Negroes are union members. The A. F. of L. takes the position that since its constituent members, the international unions, are autonomous, it has no power to force them to comply with its general position against discrimination. It has not felt justified in the drastic step of suspension of its member unions on this ground. The Railroad Brotherhoods also are notorious for their denial of membership to Negroes.[2]

In general, the industrial unions (including those now affiliated with the C. I. O. and the industrial unions still remaining in the A. F. of L.) have admitted Negroes to membership. An outstanding example of interracial policy is to be found in the history of the United Mine Workers. It experienced a delay of many years in its efforts, finally successful, to organize southern coal mines partly because it insisted on admitting Negroes to membership. Such sacrificial adherence to principle may well serve as an example to civic and religious bodies as well.

A bulletin of the National Urban League makes the following comment:

> "Industrial Unionism is newer, better adapted to present-day industrial conditions, and its leadership is generally better educated in labor economics. Labor leaders in the mining, garment-making and

[1] *New Trade Union Movements and the Negro Worker,* by Lester B. Granger, Bulletin 18, Workers' Bureau, National Urban League, New York, September 23, 1937.

[2] *The Negro and Economic Reconstruction,* by T. Arnold Hill, Washington, D. C., The Associates in Negro Folk Education, 1937.

> textile industries recognize the impossibility of unionizing their fields unless all workers are taken in without regard to racial or religious prejudices. For this reason, we find great international unions like the International Ladies Garment Workers, the United Mine Workers and the Amalgamated Clothing Workers not only accepting Negroes as members but also carrying on educational programs within their ranks to eliminate feelings against the Negro brothers and sisters after their acceptance. * * * Within their combined ranks are enrolled over 100,000 Negro members, many of whom occupy union positions of importance. Mixed memberships in miners' locals elect Negroes as chairmen; the I. L. G. W. U. employs a Negro as general organizer; one of the largest dressmakers' unions, Local No. 22 of New York, recently elected a Negro woman as business agent for its 30,000 members."[3]

T. Arnold Hill, Director of the Department of Industrial Relations, National Urban League, and a careful student of labor relations, declares, in his book, *The Negro and Economic Reconstruction:*

> "The one bright star in an otherwise dark union firmament, is the democratic policy of the Committee for Industrial Organization. In the unions of workers in the manufacture of steel, automobiles and garments, Negro membership is large. They are also members of the unions for electrical, transport, laundry and food workers. In the professional unions such as those for clerks, social workers, and newspaper employees, Negroes are also to be found. The C. I. O. is unique among existing American labor movements, not only in its philosophy, but in its policy of equality for all workers, Negro as well as white."

At the 1938 A. F. of L. convention a more sympathetic attitude was shown toward a more drastic resolution against race discrimination. Recent improvement can be noted in various unions, particularly the Waiters' Union, but the basic situation in those A. F. of L. unions barring Negroes remains unchanged.

Notable achievements have been made by some all-Negro unions—particularly the Brotherhood of Sleeping Car Porters and Maids, headed by the able and brilliant leader, A. Philip Randolph. This union is affiliated with the A. F. of L. and enjoyed its support in its successful effort to obtain a contract with The Pullman Company, greatly improving

[3] *The Workers' Council Bulletin No. 18,* National Urban League, Workers' Bureau, Percy Granger, Secretary, 1133 Broadway, New York. 1937.

wages and working conditions. The United Transport Service Workers of America (Red Caps), organized in 1937, and other efforts to organize Negro unions are meeting with some success. Workers' Councils of Negroes, organized by the National Urban League in various cities where union discrimination has been serious, are beginning to have results. From St. Louis, for instance, comes the following report:

> "After many years of hard and persistent effort, Negro painters in St. Louis were granted a charter by the Brotherhood of Painters, Decorators and Paperhangers of America (A. F. L.). This victory is all the more far-reaching due to the absolute unwillingness of organized building labor in St. Louis to grant union privileges to Negroes in any field except common labor. The Workers' Council and the Urban League of St. Louis are to be commended for their splendid work.
>
> "Final culmination of the Workers' Council program in St. Louis was achieved recently when sixteen labor groups, some with union charters and others newly organized, dissolved the St. Louis Workers' Council with which they were formerly affiliated and organized the Negro Trade Union League."[4]

Perhaps the greatest contribution which the public can make to eliminate race discrimination in the labor movement is to help eliminate it in public life in general, and also to remove the economic causes of unemployment which creates pressures toward lower wages and competition for jobs. In such situations Negroes have been notoriously exploited by many employers who hire them at low wages. This, in turn, has brought upon the Negro the resentment of white workers and union members.

The solution of this problem will depend upon the degree in which the churches and the public help to eliminate race discrimination in community life; the degree in which all labor unions come to realize that they must include Negroes as members, even for the protection of their own wage scales; the degree in which Negro workers become increasingly educated to demand union membership, and the degree to which economic causes of friction are removed.

[4] *Workers' Council Bulletin No. 19,* National Urban League, December 1, 1937.

Questions for Discussion

1. Would you say that organized labor is better or worse than civic or religious organizations in the matter of race discrimination?
2. What is the official position of the A. F. of L.?
3. What forms does race discrimination take in international and local unions where it exists?
4. What is the general practice of industrial unions?
5. What all-Negro unions have been successful?
6. How can the public best help to eliminate race discrimination in unions where it exists?

Chapter XV

WOMEN AND TRADE UNIONS

The problems, policies and procedures of trade unions composed wholly or in part of women workers are practically identical with those of the general labor union movement discussed in other chapters. A few distinctive characteristics and problems, however, should be mentioned.

It is sometimes said that women are harder to organize than men. No doubt there is a general psychological attitude, especially among younger women workers, that their employment is a temporary matter. They expect, sooner or later, to get married and quit their jobs. This expectation tends to make women workers feel less interested in organization for better conditions. However, their indifference tends to disappear when they learn the fact that *over 46% of the ten and three-quarter million women employed in American industry are either married, widowed, or divorced.* The fact is that whether single or married, women workers do have a personal stake in improving conditions in industry through unionization.

A release of the Woman's Bureau, Department of Labor, August 16, 1939 states that in the United States 25% of all women 16 years of age and over are gainful workers. Based on a detailed study of three representative cities the Bureau points out the following significant facts: "The dependence of large families on help from their women members is indicated by the study, which shows that the proportion of families that had a woman worker increased directly with the size of the family. Of all families reported, 1 in every 3 or 4 had an employed woman member; but 2 in 5 of the families of 5 persons, and approximately 3 in 5 of the families of 9 or more persons, included a working woman.

"While the burden of support for dependents fell heaviest on the widowed and divorced women, in many cases women, especially the Negro women, were the sole support of families of considerable size, and these families very often included small children. In a number of cases single women supported dependent parents and at times, small children.

"One third of the 58,000 women whose records were studied combined the job of breadwinner with the many tasks and responsibilities of a home maker."

Even for those married women whose husbands are able to support

the family, there is still a vital interest in the labor movement. For labor unions among men workers have proved one of the most effective safeguards of wage scales which enable a man to support a family. However, only 125,000 to 500,000 women workers belong to unions.[1]

Marriage Psychology and Other Causes

There are, however, more potent causes than "marriage psychology" for this relatively low percent of women in the unions. It seems likely, in the first place, that the labor union movement, generally directed by men, has paid inadequate attention to organizing women workers and that an insufficient number of women organizers have been used in the attempt.

The traditional emphasis in union organization by the A. F. of L. has been among the skilled crafts and trades. Since the great mass of women are employed in the so-called semi-skilled or unskilled jobs, this meant that they were largely overlooked. With the recent wave of industrial unionism under the C. I. O., taking in both skilled and unskilled workers, the picture is definitely changing. Moreover, as has been indicated elsewhere, some old craft unions of the A. F. of L. are now broadening the base of their membership. I was a bit startled recently to meet a young girl in Oregon who said she was a member of the Carpenters' Union which had recently taken in all workers in a saw mill, including the office force. These new trends have already resulted in a larger membership of women in unions and may be expected further to increase it. To be sure, women may still have to fight for their rights, particularly in some of the older craft unions, some of which in the past have either excluded women from membership by their constitutions, or, in practice, have denied them the protection of "equal pay for equal work." With a growing sense of democracy in trade unions, there will come also larger opportunity for women to play their part.

Occupations Hard to Organize

The largest numbers of women members of trade unions are found in the garment trades and in the textile industry. Perhaps the major

[1] Dr. Theresa Wolfson, author of *Women Workers and the Trade Unions,* International Publishers, 1926, estimated in 1929 a total of approximately 260,000. Dr. Leo Wolman, in his *Ebb and Flow in Trade Unionism,* National Bureau of Economic Research, 1936, believed that it might be 360,000 (see p. 74).

Miss Elizabeth Christman, Secretary-Treasurer of the National Women's Trade Union League, says in a letter dated March 3, 1939, "As nearly as I can approximate, the number of women estimated as belonging to unions (both A. F. of L. and C. I. O.) is more than half a million."

cause of the relatively small percentage of total unionization among women workers lies in the fact that so many women are employed in industries which by their nature are extremely difficult to organize. For instance, according to the 1930 census, twenty-nine per cent of gainfully employed women are employed in domestic and personal service. This is a field where unionization, in spite of very low standards in many places, has made little headway among either men or women. The unstandardized nature of domestic jobs, the wide distribution of workers in individual homes, the difficulty of domestic workers meeting together in numbers, because of the irregularity of hours and lack of natural meeting places, and the high labor turnover or rapid changes, all make organization extremely difficult. Significant efforts have been made by the Y. W. C. A. to educate employers and domestic workers on the problems involved in domestic work. The Public Affairs program of the Y. W. C. A. includes: "Giving aid and encouragement to the industrial, whitecollar and household workers in the Y. W. C. A. constituency, who are making efforts to help build a vigorous and responsible labor movement. Promoting voluntary agreements between household employees and employers which conform to the standards suggested by the National Committee on Household Employment, inasmuch as household workers are still in their first stages of organization."

In spite of the difficulties involved, a few unions are active in domestic work including the Domestic Workers' Union, a local of the Building Service Employees International Union. Recent contracts on the part of the hotel workers unions have for the first time included chambermaids, scrubwomen and others.

Next to domestic service, the largest percent (18.5%) of employed women work in clerical occupations. While unions have made more headway in this field, it is again one of the more difficult occupations for unionization among men as well as among women workers.

It should be pointed out that women's organizations have made a contribution in the field of workers' education quite out of proportion to their numbers. The National Women's Trade Union League, an organization composed of women trade unionists and "allied members" (liberal women sympathetic with the labor movement) and endorsed by the American Federation of Labor, has done much in workers' education as well as in helping to organize women workers. The American Labor Education Service (formerly the Affiliated Schools for Workers) is an independent organization which not only maintains summer schools but operates an educational service to help local unions with their reg-

ular educational programs among both men and women members.

Any description of the part played by women in the trade union movement, however brief, would be incomplete without recording the vivid impression one gets in the field of the strength and inspiration which they have contributed to the entire labor movement. The amazing capacity for sacrifice and endurance of extreme privation and hunger for themselves and their children on the part of the wives of strikers, the help of women's auxiliaries of men's unions, and the gay courage and enthusiasm of young women union members through thick and thin have undergirded labor's struggle "for bread and roses" in ways which no statistics can reveal.

Questions for Discussion

1. Are women harder to organize than men?
2. Why do many women consider their employment temporary?
3. What percent of employed women are either married, widowed or divorced? What effect would general knowledge of this fact have on the interest of women workers in labor unions?
4. What other reasons have retarded organization of women workers? Is union membership now increasing?
5. What special contributions have women made to the labor movement?

Chapter XVI

WORKERS' EDUCATION

Systematic workers' education by American labor unions has not yet developed as a general practice to the extent to which it is urgently needed. Great numbers of union members remain to be reached by the kind of education which will promote intelligent rank and file participation in union deliberations, create self-imposed discipline and a sense of responsibility and develop leaders.

In 1921 the Workers Education Bureau was organized as a fraternal affiliate of the American Federation of Labor. It publishes texts and literature, conducts radio broadcasts, holds labor institutes, and stimulates unions to set up their own educational programs. In 1939 the Congress of Industrial Organizations set up a standing Committee on Education.[1]

A few of the larger unions have fully developed education departments with extensive programs. The outstanding example is the International Ladies Garment Workers Union which with its locals spends about $200,000 a year in promotion of recreation and education. Classes cover such subjects as labor history, economics, public speaking and parliamentary law, trade union practice, labor publicity, labor and the arts, and labor drama. The play *Pins and Needles* first developed in these classes and has had a phenomenal run on the public stage, touring all parts of the country. It is important to note that this union requires prospective candidates for union office to pass examinations after taking a special "officers qualification course" in union practice and administration, arbitration procedures, business management and other subjects.

Educational programs on a smaller scale are carried on by other unions. Open forums are conducted. Special speakers and lectures are given part of the time at regular union business meetings. The Amalgamated Clothing Workers, for example, has launched a wide program of "cultural activities," including such courses as listed above, music, motion pictures, and a correspondence school. Educational and recreational programs among union members help to break down barriers of

[1] Write for information to Workers Education Bureau, 1440 Broadway, New York, and Congress of Industrial Organizations, 1106 Connecticut Avenue, N. W., Washington, D. C.

language, race, creed, and national backgrounds and to develop better citizens.

The Steel Workers Organizing Committee has held significant institutes for the training of union leaders which have proved so excellent that management representatives of some steel corporations have, on their own request, joined some of these classes in the study of how to conduct constructive daily relations between unions and employers. This organization conducted a summer camp for leadership training in 1939 with a total attendance of a thousand workers. In the Pittsburgh area the workers' schools have conducted the past few years forums, lectures, and discussion classes for many unions. This movement is now being organized on a more permanent basis.[2]

The American Labor Education Service (formerly Affiliated Schools for Workers) is an organization which has conducted summer schools for workers on the campus of Bryn Mawr College, at the University of Wisconsin, and at various points in the South, and now conducts the Hudson Shore Labor School, West Park, N. Y.[3] It gives technical and advisory assistance to a variety of workers' groups throughout the country. These include union and local labor colleges and other workers' groups, resident schools, government projects, youth groups, libraries and many types of community organizations. Labor Education Service stimulates educational work, publishes outlines and other study material, assists workers' classes in planning their curricula. Conferences, both national and sectional, are arranged; a teachers' registry is maintained; discussion groups are initiated. Labor Education Service also has many contacts with foreign workers' education movements, and encourages the exchange of worker-students between the United States and other countries.

Workers' Education classes are also being conducted in many parts of the country by the Workers' Education Department of the Works Progress Administration.[4]

Another hopeful development is found in the new courses for labor leaders and personnel managers started by the University of Wisconsin, Columbia University, and New York University. The latter development may be very significant in view of the close relations of universities

[2] Write Steel Workers Organizing Committee, 1500 Commonwealth Building, Pittsburgh, Pa., for descriptive literature.

[3] Send for literature to American Labor Education Service, Eleanor G. Coit, Director, 437 W. 59th Street, New York.

[4] For literature address: Workers' Education Department, Works Progress Administration, Washington, D. C.

with the extensive and effective workers' education movement in Great Britain. Much could be learned by labor union educational directors from the consumers' cooperative movement which has developed particularly interesting techniques in democratizing educational methods. (See Consumers Cooperation for March 1939, Cooperative League of the U. S. A., 167 West 12th Street, New York, 10 cents.)

The Brookwood Labor College at Katonah, New York, an independent residential school for intensive training of leaders, was, after a number of years of useful service, closed because of lack of finance. The Highland Folk School at Monteagle, Tenn., is still carrying on. Two labor schools maintained by political parties are the Rand School (Socialist) and the Workers' School (Communist) in New York City. Commonwealth College, Mena, Arkansas, while not ostensibly sponsored by a political group, is leftist and radical in its point of view.[5]

The Young Women's Christian Association, throughout the country, carries on an effective workers' education program for industrial and business women. In addition, it has earned deep appreciation from the labor movement by making its building facilities available at nominal cost to labor unions for their own educational and recreational classes.

Questions for Discussion

1. Why is workers' education needed?
2. What national workers' education agencies exist and what are their programs?
3. Describe outstanding workers' education programs by International unions such as the International Ladies Garment Workers and others. What courses are given?
4. What other agencies conduct workers' education programs?

[5] J. R. Butler, President of the Southern Tenant Farmers Union, formerly a member of the Board of Directors of Commonwealth College, has charged that the policy of the College is controlled by the Communist Party. His statement can be obtained from him at P. O. Box 5215, Memphis, Tenn., and Commonwealth's reply may be obtained by addressing the College.

Chapter XVII

THE CHURCH AND LABOR

Churches of all faiths have declared for over thirty years that labor has the right to organize and bargain collectively. One need not be surprised at this official stand taken by religious bodies. A religious principle is involved in the right of labor as well as employers to organize in unions or associations of their own choosing. For the principle of democracy—of the right of the common man to a voice in determining the conditions which mean so much to his life, liberty and pursuit of happiness—rests back on the teachings of Jesus and the prophets of the infinite value of every human personality as a child of God. This belief has helped to develop in the common man an infinite self-respect which is incompatible with any form of autocracy, political or industrial. In the words of the *Social Ideals of the Churches* "the churches should stand for the right of labor as well as employers to organize and bargain collectively; the protection of both in the exercise of this right; the obligation of both to work for the public good; encouragement of cooperatives and other organizations among farmers and other groups."[1]

In this chapter we shall concern ourselves solely with some of the contacts which church groups may maintain with the labor movement for purposes of human understanding and constructive helpfulness. We shall take up in detail only a few of these suggestions but may first summarize methods which have been successfully used by various groups of church people, local churches and councils of churches. Such helpful church programs have included the appointment of fraternal delegates to central labor unions by ministers' associations and councils of churches; the observance of Labor Sunday; educational trips by church people to labor headquarters, to factories where labor union relations prevail and to consumers' cooperatives; attendance for observation and study at Regional Labor Relations Board hearings and conciliation and arbitration hearings; special conferences on labor problems; study

[1] Write for information on pronouncements by various church bodies on labor and economic problems to The Federal Council of the Churches of Christ in America, 297 Fourth Avenue, New York; The National Catholic Welfare Conference, 1312 Massachusetts Avenue, N. W., Washington, D. C.; The Central Conference of American Rabbis, 6300 Park Heights Avenue, Baltimore, Md.; and the Rabbinical Assembly, Broadway and 123rd Street, New York.

courses; investigation of facts in strike situations; mediation; public statements; relief for families of strikers; help in social legislation; contacts with the unemployed; open forums; labor and employer speakers in churches and assistance in workers education.[2]

We shall confine our discussion here to a few suggestions, particularly with reference to services of church people to the workers education movement. It happens that ministers and many laymen and laywomen are particularly well equipped to offer help in subjects specially in demand in workers education, such as public speaking, parliamentary law, and publicity. These are among the subjects most needed by new unions learning to conduct their own meetings, discuss their problems in orderly and intelligent fashion, and issue effective publicity. These subjects, together with businesslike management of union affairs, are especially needed by the young men and women with capacity for future leadership in the labor movement. Ministers and church members have volunteered in many places to teach such classes, in some cases also offering rooms in the church for a meeting place when no union hall was available. By encouraging union members to make their class room trial speeches and sample publicity releases on working conditions and the problems of a wage-earners' family, the instructor often obtains as much vital education from these classes as his or her pupils.

Ministers are usually welcome to address the regular monthly union meetings on a variety of matters with which they may be familiar, including social relations, psychology, and even travel talks. Such addresses are not only educational for the union members but very valuable as a first step in promoting acquaintance and friendliness between the Church and Labor. Labor speakers in turn should be invited to address church gatherings, their points of view and experience being equally educational to church people.

It is not difficult for a sympathetic minister or church member to acquire labor contacts. All that is usually needed is for him to call on the secretary or president at union headquarters and get acquainted with the simple introductory statement that he is a friend of labor, would like to know more about unions, and would be glad to be of any possible service along the lines suggested above. It may be well for a minister or church member merely to "listen in" as a friendly visitor at union meet-

[2] For detailed case studies of the conduct and results of such programs see *Religion Lends a Hand,* by James Myers, New York, Harper and Bros. 1929. *Churches in Social Action—Why and How* summarizes church social action methods. The Federal Council of the Churches of Christ in America, 297 Fourth Avenue, New York. 10 cents.

ings before he or she makes a contribution from the platform or in the classroom.

A very effective device for mutual acquaintance is a week-end party at which selected labor representatives, ministers and open minded employers enjoy informal out-of-doors activities and gather around the fire for frank discussion and questions concerning one another's points of view. Such questions as "why a labor union is valued by a worker"; "what difficulties do employers find in dealing with unions"; "what examples are there of helpful and harmonious employer-union relations"—bring out a world of information and helpful insights. Bernard G. Waring, a Quaker employer, describes such a house party as follows:

> "I have participated in week-end retreats with groups made up of employers and labor union representatives where non-violence, cooperation and reciprocal understanding have been considered at leisure. We found we were all brothers under the skin."

If a week-end cannot be arranged, worth-while results can be obtained by evening meetings, or a weekly or monthly luncheon.

It is amazing what a difference merely getting acquainted makes. A friend of mine who had studied for the ministry in the Episcopal Church finally decided to go into the labor movement. In the course of his duties he tried to organize a factory in one of our eastern cities. Later, after he had left the labor movement, he returned to the same city to deliver a lecture on labor problems before an audience of church people. At the close of his address a Christian employer rose and complimented him highly on the fairness and intelligence of his remarks. The employer commented that "if all labor leaders were like you, we would have no difficulty in dealing with them," but went on to relate how a "radical, irresponsible, ignorant and un-American agitator" had some time before tried to organize his employees. To the employer's surprise my friend replied that, as a matter of fact, he himself was the very man thus described. One is reminded of the story of an Irishman who declared, "I saw a feller coming down the street. I thought I knew him and he looked as though he thought he knew me, but begorrah when we got close to each other, it was nather of us." An incalculable amount of prejudice exists between employers, labor, farmers and racial groups merely because they do not really know each other. Charles Lamb once refused to meet in personal conference a man with whom he had had some differences. "If I really got to know him," Lamb said, "I'm afraid I might like him." Of course, I do not imply that all labor leaders are

equally intelligent and fair-minded in all instances, any more that I would say that employers always exhibit these high qualities. But personal acquaintance between representatives of both groups would bring a surprising increase in understanding and mutual respect. There is no more appropriate or effective method for church groups to adopt than this simple mediatory service. It may be accomplished often very simply by a minister arranging for individuals to meet each other.

Of course, character building will always remain one of the chief functions of the Church. Labor union leaders and members need as much as do other groups the spiritual ministry of religion for the development of individual character, courage, honesty, unselfishness, tolerance, fairness, faith, comfort.

It will be discovered also that in a labor union, as in a church, a cooperative, or any other non-profit organization, the profit motive is not the only possible divisive influence. The prestige motive and the power motive, because of which individuals or groups put their own desires for position or power ahead of the good of the cause, often destroy the harmony and efficiency of the group. Personal religion can help to eliminate pride and selfishness and to promote internal peace in unions as in other groups.

But some ministers and church people feel that their only function is to give moral advice without having first earned the right to do so. They should remember that "he only has the right to criticize who has the heart to help."

Instead of merely criticizing organized labor's sins, ministers generally should urge their church members who are wage earners to join unions even though conscious of their faults and then work from within union ranks for peaceful and constructive policies. Politics also has its faults but the church generally urges its members to vote and to work within political parties for honest and good citizenship.

In pre-Hitler Germany and other parts of Europe there was a development of Catholic trade unions and also of Protestant labor unions. In America, both Catholics and Protestants generally have wisely avoided this policy of further splitting the labor movement. Rather both seek to raise ethical standards of the regular labor unions by encouraging their church members to participate actively. A number of Catholic labor associations and schools offer useful courses for Catholics in good union practice.

Ministers, laymen and laywomen who have first proved their own human understanding of labor's problems, and their own unselfish and

courageous interest in the masses, will find themselves welcome and influential advisers of labor. Under such conditions religious leaders can assist in promoting high standards of fair dealing between employers and labor, and help to guide the labor movement in peaceful progress toward the cooperative commonwealth in which the ideals of democracy and of religion will at last find their full expression in the wider brotherhood of man.

Questions for Discussion

1. What religious principle is involved in the right of labor to organize?
2. Give a list of methods by which many churches have developed contacts with the labor movement. Have the churches or ministers in your town participated in such programs?
3. Why are many ministers especially qualified to help in workers education classes? Would such participation help to inform the minister also on labor matters?
4. How can church groups or ministers bring about personal friendly acquaintance between labor leaders and employers?
5. Is Labor Sunday observed in your city by a union church service? Have you talked this over with the ministers?
6. Would it make any difference in the actual life of your union, your factory, your church, your cooperative, and in the relations between labor and employers if every one involved was unselfish, fair, honest, tolerant and really believed in the brotherhood of man?

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Toward a Planned Economy. By J. A. Salter. New York, John Day Company, 1934. 31 p. 25 cents.

Toward a Farmer-Labor Party. By Dr. Harry W. Laidler. New York, League for Industrial Democracy, 1938. 55 p. Paper edition 15 cents.

Trade Union Facts. Prepared by Labor Research Association. New York, International Publishers, 1939. 124 p. 25 cents.

Union-Management Cooperation on the Railroads. By Louis Aubrey Wood. New Haven, Yale University Press, 1931. 326 p. $4.00.

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Woman Worker and the Trade Unions. By Dr. Theresa Wolfson. New York, International Publishers, 1926. 224 p. $1.75.

The Worker, the Foreman and the Wagner Act. By Russell L. Greenman. New York, Harper and Brothers, 1939. 137 p. $1.50.

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Workers Council Bulletin No. 19, New York, National Urban League, 1937. 7 p.

Workers and Their World. By Joseph Schlossberg. New York, Amalgamated Clothing Workers of America, 1935. 224 p. $1.00.

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The National Catholic Welfare Conference, 1312 Massachusetts Avenue, N. W., Washington, D. C.

Central Conference of American Rabbis, Social Justice Commission, 6300 Park Heights Avenue, Baltimore, Maryland

Rabbinical Assembly of America, Social Justice Committee, 3080 Broadway, New York, N. Y.

American Association for Labor Legislation, 131 East 23rd Street, New York City

American Association for Social Security, 22 East 17th Street, New York City

American Civil Liberties Union, 31 Union Square, New York City

American Country Life Association, 297 Fourth Avenue, New York City

American Farm Bureau Federation, 58 East Washington Street, Chicago, Ill.

American Federation of Labor, A. F. of L. Building, Washington, D. C.

American Labor Education Service, 437 W. 59th Street, New York City

American Legion, 777 N. Meridan Street, Indianapolis, Ind.

Committee on Interracial Cooperation, 710 Standard Building, Atlanta, Ga.

Committee on Militarism in Education, 2929 Broadway, New York City

Congress of Industrial Organizations, 1106 Connecticut Avenue, N. W., Washington, D. C.

Cooperative League of the U. S. A., 167 West 12th Street, New York City

Credit Union National Association, Raiffeisen House, Madison, Wisconsin

Farmers' Educational and Cooperative Union of America, 18 N. Klein, Oklahoma City, Okla.

Foreign Policy Association, 8 West 40th Street, New York City

International Labor Organization, Washington Branch, 734 Jackson Place, N. W., Washington, D. C.

Institute for Propaganda Analysis, 40 E. 49th Street, New York City

League for Industrial Democracy, 112 East 19th Street, New York City

League of Nations Association, 8 West 40th Street, New York City

National Association for the Advancement of Colored People, 69 Fifth Avenue, New York City

National Association of Manufacturers, 14 West 49th Street, New York City

National Bureau of Economic Research, Inc., 1819 Broadway, New York City

National Child Labor Committee, 419 Fourth Avenue, New York City

National Committee on Prisons and Prison Labor, 1860 Broadway, New York City
National Consumers' League, 156 Fifth Avenue, New York City
National Council for Prevention of War, 532 Seventeenth Street, N. W., Washington, D. C.
National Grange, Columbus, Ohio
National Industrial Conference Board, 247 Park Avenue, New York City
National Peace Conference, 8 West 40th Street
National Public Housing Conference, 122 East 22nd Street, New York City
National Urban League, 1133 Broadway, New York City
National Women's Trade Union League of America, Machinists Building, Washington, D. C.
Recreation Cooperatives, Inc., Box 333, Delaware, Ohio
State Department of Labor, State Capitol in each state
United States Chamber of Commerce, 1615 H Street, N. W., Washington, D. C.
United States Government agencies at Washington, D. C.
  Federal Housing Administration
  National Labor Relations Board
  National Resources Planning Board
  Social Security Board
  U. S. Commissioner of Education, Washington, D. C.
  U. S. Department of Agriculture
    Agricultural Adjustment Administration
    Farm Credit Administration (Credit Union Section)
    Farm Security Administration
  U. S. Department of Labor
    Bureau of Labor Statistics
    Children's Bureau
    Division of Labor Standards
    U. S. Employment Service
    Women's Bureau
    Wage and Hour Division
  Work Projects Administration
    Workers Education Unit
Workers' Education Bureau of America, 1440 Broadway, New York City
Young Women's Christian Association, 600 Lexington Avenue, New York City

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